

**STRATEGY IMPLEMENTATION AND PERFORMANCE OF LARGE
PHARMACEUTICAL COMPANIES DURING COVID-19 PANDEMIC IN NAIROBI
COUNTY**

BY

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DECLARATION

I, the undersigned, declare that this research project is my original work and that it has not been presented in any other university or institution for academic credit.

Signature: 29th November 2023

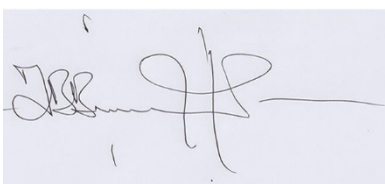
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DEDICATION

I would like to dedicate this project to my parents for believing in me and pointing me in the right direction, the direction of pursuing education. I dedicate this to my brothers for always having faith and showing that everything is possible. To my husband Dishon and baby Andy, I appreciate your unconditional love and unwavering support whilst writing this research.

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ABBREVIATIONS AND ACRONYMS

COVID-19- Coronavirus disease

WHO- World Health Organization

COMESA- Common Market for Eastern and Southern Africa

OTC- Over-the-Counter

KEMSA- Kenya Medical Supplies Authority

EAC- East African Community

ICU- Intensive Care Unit

MEDS- Mission for Essential Drugs and Supplies

ABSTRACT

The objective of this research was to determine the effect of the COVID-19 pandemic on strategy implementation and performance of large pharmaceutical companies in Nairobi County. This was a cross-sectional study. In this study, the target population was the top 30 large pharmaceutical companies that are based in Nairobi County. Primary data was obtained from the respondents through a self-administered interview. The respondents targeted for this study was the pharmacists in charge in pharmaceutical companies in Nairobi, Kenya, managing directors, chief executive officers, medical advisors, marketing managers, supply chain officers and the marketing representatives. Considering the data collected was quantitative, the technique regression analysis was used. This a set of statistical analysis methods where quantitative data is analyzed through estimation of how a dependent variable relates with one or more independent variables. The study revealed that the Covid-19 pandemic had an effect on the pharmaceutical companies' strategic plan. This led to the evaluation of the strategic plan to suit the present situation. Further, it was revealed that performance of the pharmaceutical companies, performance decreased during the Covid-19 pandemic. Therefore, it is concluded that the Covid-19 pandemic adversely affected strategy implementation. Further, it is concluded that he Covid-19 pandemic adversely affected the performance of the pharmaceutical companies. The study recommends that the pharmaceutical companies should be flexible to be able to adjust to change in the business environment due to the pandemic. The company strategies should be easily adjustable to meet present business need. Further, the companies should adopt information communication technology. This would help in continued business operations in case of a pandemic.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Business strategy implementation is the process through which various activities are carried out to see the fruition of a strategy or a business plan. It is putting into action what has been agreed upon as the processes and steps aimed at achieving the organization's end goal in a given period. Having a strategy is one thing, implementing it successfully is another thing. Implementation of a business strategy is more tedious and difficult than coming up with the business strategy itself (Afonina, 2015). Business strategy performance is the process of analysing the actual results of the strategic plan against the expected results. This is usually through a monitoring and evaluation process (Akter et al., 2016). The evaluation process enables the organization to come up with corrective actions so that the overall organizational performance typifies the organizational plan or strategy.

The evaluation of the organization's performance is a balance between overemphasis and no evaluation because both can be very costly and detrimental to the organization. For optimum organizational performance, organization need an understanding of how crucial strategic alignment is (Akter et al., 2016). A process that ensures the structure and resources of the organization are in harmony with the business plan/business strategy and its environment. It aims at ensuring that the resources of the organization, activities, people and processes are utilized to the optimum to ensure achievement of the goals of the organization. Organizational resources are what the business has at its disposal to compete against other organizations. These resources will give the business both competitive and comparative advantage. Some of the resources include human resources, raw materials, monetary resources and capital resources. These are the assets for the organization that when properly utilized can enable the organization to achieve its optimum performance (Gold et al., 2010).

The Survival Based Theory focuses on the concept that a business or organization or company are required to adapt continuously to its existing competition to survive. This theory, survival of the fittest developed by Herbert Spenser (Geroski et al., 2010) in the 19th and 20th Century, was used as the Social Darwinism theory. It put emphasis on the notion that following the principles of natural selection, only the fittest and best competitors will survive and win leading to an improved community or society. In business, this theory assumed that only the fittest businesses will survive through adapting to its environment successfully. The Resource Based Theory highlights that once a company or organization or business is in possession of strategic resources, it has a chance to grow to achieve a competitive advantage against its competitors. Once a company has this competitive advantage, it in turn enjoys very high profits (Hart & Dowell, 2011). From the Chaos Based Theory, chaos is defined as a state of total disorderliness and confusion. These chaos and disorderliness typify the circumstances brought about by the COVID-19 Pandemic pushing businesses to adapt and reorganize themselves to be able to maintain or even enhance performance amidst this chaos.

Large pharmaceutical companies in Nairobi County, just like any other business have their own strategic plan aimed at achieving their business objectives. This is only possible through proper alignment of the organization's structure to its strategy. During this COVID-19 Pandemic season, many businesses' strategic plans have been interrupted. Pharmaceutical companies have not been an exception (Barasa et al., 2020). Therefore, this study on strategy implementation and business performance of large pharmaceutical companies during the Covid-19 Pandemic in Nairobi County is very vital. This is because of its relevance in bringing out the impact of the pandemic, the adaptability and survival of these businesses during the pandemic.

1.1.1 Strategy Implementation

The process through which organizations implement their strategy is more complicated and more crucial than coming up with the strategy itself. The strategy implementation step is what determines whether the business is a failure, or it is a success. During strategy implementation an organization optimally uses its structure, resources, people, culture and systems in order to have competitive and comparative advantage against other organizations in the market (Afonina, 2015). The company's success depends on the organization's implementation of strategy. Organizational strategy implementation follows scanning its environment, SWOT analysis and taking note of key strategic issues. If not implemented in the proper manner, even the best of strategies can fail (Cândido & Santos, 2019).

Effective implementation of the organization's strategy is possible when organizational resources and other key business elements like a conducive work environment, allocation of resources, structure in the organization, culture and processes are aligned. There are various aspects that need to be considered during the strategy implementation step of the organizational strategy. The organization needs a good human resource who are skilled and experienced. A good information flow also comes in handy. This ensures there is proper communication for roles to be performed seamlessly and effectively. A conducive and a motivating work environment and organizational culture also ensures successful implementation of organizational strategy (Raps, 2005).

Implementing a strategy in the organization is the step of the whole process of the organization's strategy that ensures that the formulated plans are put into actions and desired results. The Survival Based Theory highlights the importance of adaptability of organizations to ensure competitive advantage and success. The Resource Based Theory highlights why it is important for an organization to utilize its resources for its advantage. The Chaos Based Theory

highlights how organizations can adapt and thrive during a time of chaos. Through a good strategy implementation, resources in the organization are utilized optimally ensuring the organization has a competitive edge in a dynamic changing internal and external environment.

1.1.2 Performance of Large Organizations

Most companies are only able to achieve just about 60% of their strategies' potential value because of challenges experienced in the process of translating the strategic plan or objectives into actual business results. This is because of various reasons including lack of a good teamwork during the execution of the strategy or even a lack of cohesion of the organizational strategy and organizational structure and culture (Shahzad et al., 2012). Business performance is the outcome of the strategy implementation process. It is the actual business results as compared to the projected or expected business results. Top management is rarely keen or aware of the cause of the strategy-to-performance gap. Most high performing pharmaceutical companies have been able to close the strategy-to-performance gap by ensuring there is good planning and good execution (Bergeron et al., 2004).

Thorough strategic planning and execution minimizes the gap between the projected performance and the actual performance (Bergeron et al., 2004). If they fall short, their systems are so effective that they can quickly discern the cause of the failure and immediately take the necessary corrective action. Only less than 15% of organizations go back to look at their projected or expected business performance and compared to their actual business performance. That way, top management is not able to tell whether their forecasts actually typify their actual business performance (Beleska-Spasova et al., 2012). One of the ways to bridge the strategy-to-performance gap is to ensure that organizations work on both planning and execution simultaneously. This ensures that the execution or implementation process is equally good enough as the strategy.

Various ways to ensure that the performance of the company matches its strategy is by having simple, clear and precise goals. Clear communication between the teams involved in coming up with the strategy and the team involved in the implementation of the strategy. For optimum performance, there should be continuous monitoring and evaluation of performance, with a good corrective action system. A reward system is also a good motivation for the team (Beleska-Spasova et al., 2012). During this study, we looked at the performance of large pharmaceutical companies in Nairobi County. We looked at how their performance was impacted by the COVID-19 pandemic.

1.1.3 Effect of the COVID-19 Pandemic in Kenya

The COVID-19 Pandemic is also known as the coronavirus pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). In December 2019, the first patient of this disease was identified in Wuhan, China. It was declared as an outbreak of Public Health Emergency of International Concern on 30 January 2020 and a pandemic on 11 March 2020s by the World Health Organization (WHO) (Huang et al., 2020). In Africa, the first patient of COVID-19 was confirmed on 14 February 2020 in Egypt and in the sub-Saharan Africa region, the first patient was confirmed in Nigeria_(Gilbert et al., 2020). Most of the cases identified in Africa were imported from Europe and the United States rather than from China.

The first case was confirmed in Kenya on 13 March 2020, a 27-year-old woman from Kenya travelling through London headed from the US. The government of Kenya identified and isolated other people who were contacts of the first case. Pandemics like the COVID-19 pandemic are huge business risks and an amplifier of already existing weaknesses and threats in the business. Following the social distancing, lockdowns and curfews, these measures resulted to the disruption of businesses in large pharmaceutical companies in Nairobi County. No matter how established and well grounded, each one of them experienced a challenge during

these unprecedented times thanks to the COVID-19 pandemic (Nicola et al., 2020). One of the ways in which pharmaceutical companies' business were affected is in the area of sales and marketing. Usually, pharmaceutical sales representatives visit healthcare facilities, both public and private. Through these visits, they are able to have face to face interactions with key opinion leaders in hospitals who usually are doctors, nurses, pharmacists, medical directors, hospital and CEOs (Haleem et al., 2020). Through these interactions, they are able to market their products, provide trainings, provide samples of their new products and even follow up delayed supplies or payments. With the pandemic, this was affected thus decreased sales.

With the COVID-19 scares, patients were no longer visiting healthcare facilities. Hospital wards, theatres and ICUs had minimal or zero occupancy. There had been reports of patients dying quietly at home. This means that the demand of pharmaceutical products went down- healthcare facilities were no longer buying from pharmaceutical companies (Nicola et al., 2020). Pharmaceutical companies manufacturing locally were not an exception. There were delays in importation of raw materials and active pharmaceutical due to the negative impact on both local and global supply chains. Thus, delayed receipt of raw materials or no raw materials. This study analysed COVID-19, strategy implementation and performance of large pharmaceutical companies in Nairobi County.

1.1.4 Pharmaceutical Companies in Nairobi County

The Pharmaceutical industry is an important player and backbone in the healthcare landscape. It has been growing at a very high rate (Lule, 2011). There are both local and multinational pharmaceutical companies in Nairobi County. Most of the multinational companies import products from their mother companies overseas and sell in the Common Market for Eastern and Southern Africa (COMESA) region. On the other hand, the local pharmaceutical companies manufacture and export to the COMESA region. Both the local and multinational

pharmaceutical companies make up the source and supply to both public and private hospitals in the country and in the region. These local and multinational pharmaceuticals companies make up different tiers of both large and small pharmaceutical companies depending on their returns and human resources.

The biggest clientele for these pharmaceutical companies is both public and private hospitals, health centres and community pharmacies. Drugs that are sold only on prescription account for 78% of the Kenyan Pharmaceutical market. In the coming years though, a tremendous growth is expected for over-the-counter (OTC) items. Out of the Kenyan Government's GDP, 8% of it is spent on healthcare. The Kenya Medical Suppliers Agency (KEMSA) is one of the divisions under the Ministry of Health. Its operations entail buying of pharmaceutical products from pharmaceutical companies and distributing or selling them to both public and private healthcare facilities. The large pharmaceutical companies' market is primarily the private clientele and price concerns are quite a bummer considering the African market is more price focused than quality focused. On the other hand, the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) among other programs have enabled Kenyan Pharmaceutical businesses to benefit from an access to the market in the region and reduced duty (Owuoth, 2010).

The COVID- 19 Pandemic that originated from Wuhan, China in December 2019 negatively affected all businesses, pharmaceutical companies in Nairobi County included. There had been a disruption in both local and global supply chains. There were delays on the process of importation of raw materials by the local manufacturers and the finished products by the multinational large pharmaceutical companies. The COVID-19 not only interfered with the supply chain but also interfered with the delivery of work. Employees from these pharmaceutical companies were unable to meet their external stakeholders due to the social distancing brought about by the COVID-19 pandemic. Additionally, some of these companies

had to take up stringent measures to be able to manage and optimize their resources during the tough times presented by the pandemic. An example was where some roles in organizations were merged, other roles were scrapped off completely, employees were also encouraged to work from their homes to cut on commuting costs and office running costs whilst aiming at managing the limited resources available. Pharmaceutical companies need to respond to these disruptions by changing various business processes. These effects can be both medium and long term and will affect the business strategy implementation and performance of these pharmaceutical companies.

1.2 Research Problem

The strategy implementation process is not a single occurrence but a process that involves organizations transitioning and changing from their old ways of running their business or even from an old strategic plan. It is important to appreciate that it is not an overnight event in order to avoid the failure of good strategies from a poor implementation plan (Hrebiniak, 2006). For organizations to successfully implement their strategy, it is more complicated and more crucial than coming up with the strategy itself. Strategy implementation is what determines whether the business is a failure, or it is a success. During strategy implementation an organization optimizes its structure, resources, people, culture and systems in order to have competitive and comparative advantage against other organizations in the market (Afonina, 2015). Organizational strategy implementation follows scanning its environment, SWOT analysis and taking note of key strategic issues. If not implemented in the proper manner, even the best of strategies can fail (Cândido & Santos, 2019). Effective implementation of the organization's strategy is possible when organizational resources and other key business elements like a conducive work environment, allocation of resources, structure in the organization, culture and processes are aligned.

Decisions regarding the implementation of a strategy run through a period of time. The driving force towards these decisions could be systematic over a period of time or in other instances it can be driven by a crisis. Both instances aim at continuous incremental improvements of the strategy implementation in the business. The COVID-19 pandemic is an example of a crisis, and this study will be highlighting its impact on strategy implementation in large pharmaceutical companies in Nairobi County and the effect on business performance. An organization's decision making patterns towards its strategic plan and strategy implementation is determined by its revenue source (Wheelen & Hunger, 2011). This study focus was on how revenue or financial performance of large pharmaceutical companies in Nairobi County was affected by the COVID-19 pandemic. It highlighted how the strategic implementation process was adjusted to ensure adaptability and survival during this crisis that is the COVID-19 pandemic.

The literature available on strategy implementation and performance highlights the importance of institutionalizing a strategy which means developing the organization's capability to match up its strategy. This is because a strategy is just more than written statements but more of action which is its implementation. Mankins & Steele (2005) highlights that despite a rigorous process of strategy development that consumes resources, time and energy, once the strategic plan time lapses, several companies have got very little to show for this effort. On average, only 63 percent of the promised or anticipated financial performance is usually reached. Additionally, most companies rarely keep a track of their organization's performance especially in the case of long-term strategic plans. Their actual performance rarely meets their projected performance and due to lack of the interest in tracking their performance, most value is lost in translation (Bamberger et al., 2014). Several studies have been done on how the COVID-19 pandemic has had an impact on business strategy implementation and performance of pharmaceutical companies. Nicola et al. gave a review on the social and economic implications

of the COVID-19 pandemic. The pandemic resulted into changes in healthcare businesses with more investment going into disease prevention infrastructure and healthcare delivery and marketing becoming more digitalized. Nicola et al. underlined changes that occurred in policies in healthcare and management of clinical conditions from new evidence discovered during the pandemic. Most countries largely imported their active pharmaceutical ingredients from India, the EU and China. 39.3% of medical devices import in the US is from China.

In previous studies that have been conducted on business strategy implementation and performance, they highlight clearly that every organization is special and unique and therefore a specific study on one single organization cannot represent or stand for and cut across all organizations, because of the differences therein. Additionally, the COVID-19 pandemic created chaos and turbulence that resulted to the interference of the external environment of these organizations. Additionally, the internal environment was also affected, resulting to an impact on strategy implementation and performance in the organization. Therefore, this research was aiming at determining strategy implementation and business performance of large pharmaceutical companies during the Covid-19 Pandemic in Nairobi County. What is the effect of COVID-19 on strategy implementation and performance of large pharmaceutical companies in Nairobi County?

1.3 Research Objective

To determine the effect of the COVID-19 pandemic on strategy implementation and performance of large pharmaceutical companies in Nairobi County.

1.4 Value of the study

This study is going to be a resource to individuals in top management in pharmaceutical companies. It highlights on the adjustments made on these companies' strategic plan in order to be adaptable and survive during the COVID-19 pandemic. It is a reference point for

management teams both now and in the future on how to cope businesswise during the unprecedented times and unexpected events during a pandemic.

In academia, this study contributes to the research in strategic implementation and performance and how this is affected by global health pandemics like the COVID-19 pandemic. Data and evidence from this study is to be used in conducting further studies in order to bridge any gaps in this area.

Policy makers are also going to use the findings from this study to give recommendations and directions in healthcare especially in pharmaceutical companies. This is by highlighting how companies were able to survive and thrive through a global health pandemic and how different clinical situations were managed to cope the challenges posed by the COVID-19 pandemic.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The focus in this chapter is to look at and review literature that is related to this study. It will be summarizing what other scholars view is regarding business strategy and business performance during a time of a crisis. It was also a review of business strategy implementation and performance.

2.2 Theoretical Foundation

A theoretical framework supports the theory of a particular research study. It explained the theories which further expound and explain why a particular research problem exists and is being studied. Many theories have explained strategy implementation and how this is affected by global pandemics and unexpected natural disaster or chaos. However, the theoretical foundation of this study was the survival-based theory, the resource-based theory and the chaos theory.

2.2.1 Survival Based Theory

This theory focuses on the concept that a business or organization or company are required to adapt continuously to its existing competition for it to survive. This theory, survival of the fittest was developed by Herbert Spenser (Geroski et al., 2010). In the 19th and 20th Century, this theory was used as the Social Darwinism theory. This theory put emphasis on the notion that following the principles of natural selection, only the fittest and best competitors will survive and win leading to an improved community or society. In business, this theory assumed that only the fittest businesses will survive and by prosper through adapting to its environment successfully. Under this assumption therefore, ruthless business conditions and politics are acceptable because the fittest shall survive and emerge successful (Tong et al., 2018).

Later in the 20th century, there were opponents to the Social Darwinism theory who emerged, known as Neo-Darwinism. The concept of Neo-Darwinism is contrary to Social Darwinism and focused so much on solidarity in the community to bring about evolution. The assumption was that competition and cooperation go hand in hand. Virtues and values of conducting business in a good and ethical manner were emphasized through loyalty, trust, cooperation and true friendship were encouraged to bring about survival and success in a highly competitive market (Abdullah, 2010). The survival- based perspective in strategic management emphasized on the assumption that for an organization or business or company to survive, it has to utilize and put in place those strategies that are very efficient, effective and highly responsive to the continuously changing competitive business environment (Fanasch, 2019). This is because, the business that survives is the one that is most able to prevail in the changing business conditions, thus survival of the fittest (Bartoloni et al., 2020). Therefore, during these challenging times of the COVID-19 pandemic, the fittest and most adaptable businesses shall survive and come out successful.

The weakness of this theory is that it does not put into consideration the difference in the internal environment of different organizations. Each organization has its own culture, structure and a different human resource that are motivated and remunerated differently. This difference in the internal environment of the organization is one of the limitations of this theory since the environment is not the same for all organizations to thrive in due to different internal dynamics.

2.2.2 Resource Based Theory

This theory highlights that once a company or organization or business is in possession of strategic resources, it has a chance to grow to achieve a competitive advantage against its competitors. Once a company has this competitive advantage, it in turn enjoys very high profits (Hart & Dowell, 2011).

A strategic resource is a resource or an asset that is of value, hard to find, difficult to imitate, and that which cannot be substituted. A resource is valuable so much so that it guides and enables the firm to come up with strategies which allows the organization to seize its opportunities and overcome any threats. An example of a key resource is organizational culture which keeps the employee inspired to give their very best. An excellent organizational culture is rare considering strikes, layoffs, and lack of motivation in many organizations (Maurer et al., 2011). Once an organization has leveraged resources that are not easy to imitate, their competitor in the market is equally going to have a difficult time coming up with the exact same or duplicating those resources. The business, however, can come up with legal actions to protect these resources, including trademarks, patents, and copyrights. Other resources will evolve over time reflecting the uniqueness of the organization thus becoming difficult to imitate (Kraaijenbrink et al., 2010). On the other hand, non-substitutable resources are those that the competition is unable to create alternative ways to gain the advantages that a particular resource provides. An example is good customer care and responsiveness resulting to customer loyalty.

The resource-based theory stresses that using proper strategy, a company can develop resources that are of high value, are scarce, difficult to imitate or replicate and that which cannot be replaced. This enables the company to gain competitive advantage compared to its counterparts in the market. Thus, emerging successful in their business. The weakness of this theory is that it does not put into consideration social networks and social complexities. Some organizations may not have the social networks and influence to manage and access some resources beyond their reach. An example is being connected politically and to policy makers. Thus, limiting an organizations growth and competitive advantage.

2.2.3 Chaos Based Theory

Chaos is defined as a state of total disorder and confusion. In physics, it is a characteristic of a complex system whose nature is considered unpredictable and random because of how sensitive it is to slight changes in the conditions in the system. Chaos theory focuses on the study of chaos- dynamic systems who in their state of randomness and disorder are usually determined by existing laws and patterns that are known to be very responsive the conditions they were initially in (Stacey, 2016). The butterfly effect is one of the phenomena that can be used to explain the chaos theory. It explains how a slight interference in one state of a chaotic system can lead to even a worse situation in a future state of the chaotic system (this means that because of the high sensitivity or responsiveness, this system is dependent on the conditions that existed at first). Putting it as a metaphor, when a butterfly flaps its wings in Texas can cause a hurricane in China (D'Aveni et al., 2010).

Igor Ansoff's matrix for creative business development in response to the COVID-19 crisis (chaos), describes how during the COVID-19 pandemic many businesses have been forced to come up with COVID-19 adaptation and diversification strategies. In the short term, these can become emergency tactics or become fundamental strategic changes in the medium term (Burgelman & Doz, 2001). Over time, some of these organizations operating businesses will eventually gear towards getting back to their 'normal' (or even operate in the 'new normal') while other businesses are going to completely undergo transformation, thus coming up or developing a new business model. This is also going to be an opportunity for some creative entrepreneurs to design anew their creative businesses, aiming at adaptability to the new realities thus even greater business performance. It is worth mentioning that businesses are undergoing changes thus reorganizing themselves in order to adapt to the chaotic situation brought about by the COVID-19 pandemic. This is because, this adaptability and agility is going to determine their existence as the pandemic ravages the economy (Akolaa & Kosiba,

2020). From the original Ansoff Matrix, he came up with four strategies to ensure organizational growth. These can be summarized as first, ensuring that more of the already available products in the organization to be sold to the already available market, known as Market Penetration. Secondly, coming up with new products for the already available market known as Product Development. Thirdly, selling the available products in new markets known as Market Development, and Creating different products for new markets known as Diversification.

Because of the COVID-19 Pandemic, Ansoff's Matrix has been adapted in order to look at the new opportunities that have been created digitally as a result of the COVID-19 pandemic. In the wake of the internet, embracing performing business operations digitally has created new opportunities making the business adaptable. The products or services already available have been transformed through digital means in order to ensure that businesses have more options to serve and reach their customers. For the businesses to thrive through the pandemic, some of the old ways of conducting the business have been retained while embracing the digital way of delivering services. Already available customers and already available markets have been retained and digital strategies have been embraced to maintain them. Additionally, these strategies have been embraced so that the organization can reach the sought-after customers. During this chaotic season of the COVID-19 Pandemic, the improved version of Ansoff's Matrix can be utilized optimally in order to come up with more ideas and options to maintain or even enhance the businesses' performance. This can ensure that large organizations are able to meet their strategic plan during the new normal (Verbeke & Yuan, 2021).

The weakness of this theory is that it does not put into consideration that even after an organization has adapted during times of chaos and turbulence, due to unpredictability, the situation may worsen forcing the organization to adapt once again. This requires resources that organizations may not have.

2.3 Overview of Strategy Implementation

The process of strategic management is made up of setting of organizational goals aiming to achieve them at a given period. These goals are usually in short period of time or they can be set up in a long period of time, and activities should be carried out aiming at achieving these goals(Pearce et al., 2000). There are various steps or stages involved in the formulation of a strategy until it has been implemented which include:

The first stage during this process involves setting the goal. The company specifies its organizational goals, which could run over a long period or over a short period. Once the goals have been set, communication is made to the team in the organization and how these goals will determine the organization's future. This enables members in the organization to have a sense of belonging and purpose, enabling them to own the project thus better accountability(Wheelen & Hunger, 2011). Once the goals in the organization have been set, the next step in this process of strategic management is assessment. At this stage, all the necessary information and data required for a successful strategy is gathered. This enables the organization to identify and realize its mission and vision. The vision of the organization can be defined as what the company intends to become. The company's mission is the kind of business the company wants to engage in and everything concerning the company's employees, values, company culture, markets, its customers and products (Pearce et al., 2000).

Once the organization has realized its vision and mission, the organization goes ahead to do a situation analysis. Through this, the organization is able to know its current situation in the market. This is achieved through looking at the business' internal and external environment and analysing its competing environment. Following the situation analysis is the formulation of the organization's strategy. At this point, the company sets its goals that run over a long period or over a short period. That way, the company is able to understand its competitive position and advantage (Pearce et al., 2000). Strategy formulation is followed by strategy

implementation, which involves the execution of the already formulated strategy. A good strategy implementation improves the company's competitive advantage.

After the company's strategy has been implemented, it is important to monitor and evaluate the company's strategy from the set objectives and the results that have been achieved. This enables the company to tell its performance. This is followed by a SWOT analysis which involves analysing the organizations strengths, weaknesses, opportunities and threats. This is both new and existing. That way, the organization is able to plan and project its future (Ansoff et al., 2018). A good strategy requires a good implementation process to ensure optimum performance of the organization. An organization having a good strategy is not equivalent to achieving excellent performance in the business. During the COVID-19 pandemic, businesses have been grossly affected and large pharmaceutical companies in Nairobi County have not been an exception (Nicola et al., 2020).

Companies' strategies locally and internationally have been challenged during this COVID-19 pandemic. It has been a period where companies have been pushed and challenged to readjust both human resource wise and financial resource wise. Large pharmaceutical companies in Nairobi County were initially hit hard considering patients were not confident visiting hospitals. This means that hospitals were not consuming as much pharmaceutical supplies compared to during a normal period when the hospitals are filled to capacity, if not fully, up to seventy five percent. As the pandemic progressed both globally and here in Kenya, global supply chains and global production were interfered with. This means that there was scarcity or no supply at all of pharmaceutical products. Many global chains even reported bottlenecks in their production and supply chains (Karpen & Conduit, 2020).

2.4 Organizational Performance

Large organizations use various models to measure their performance during the strategy implementation process to achieve organizational goals. They include Balanced Scorecard and the Performance Prism just to mention a few, as discussed below.

For Balanced Scorecard, Kaplan presents it as a model used by managers in organizations to attain competitive advantage. This model puts into consideration strategy and mission of the organization and a set of indicators for performance. This will offer a model that provides the measurement of the organization's performance. The four key indicators that are used in this model are: financial performance, clients to the organization, learning and growth while in the organization and the nature of internal processes (Kaplan, 2012).

When the organization is interested in the customer perspective, the organization to understand the needs of the customer needs in terms of product costs, product quality, product distribution, and the future expectations of the customer from the organization. Financially, the management of the organization's financial resources is assessed to effectively achieve success in the organization. On the other hand, internal processes perspective highlights the organization's internal processes and what to improve in order to improve overall organizational performance. Learning and growth perspective ensures that the human resources have been trained, developed and empowered effectively to enhance performance in the organization. Most organizations have realized the importance of investing in their human resources. This is because human resource is the pillar that formulates the strategy, assesses the organization's goals, implements the strategy, evaluates the performance and ensures that the organization culture, structure and strategy are aligned (Ivanov & Avasilcăi, 2014).

On the other hand, the Performance prism model offers both a wider view and or a narrow view, depending on the level the organization is at and the organization's needs. There are five

aspects that are related and present the essence of the business: assessing the satisfaction of stakeholders, flow of processes in the organization, strategies that have been formulated and the contribution of stakeholders (Neely et al., 2007).

2.5 Monitoring, Control and Evaluation

Throughout the life of a strategic plan, continuous monitoring, control, and evaluation is required to ensure the intended performance is achieved as the strategic plan goes through its time. This ensures that there is a proper framework in place for accuracy and correctness in the feedback given and received enhancing continuous improvement and evaluation of the challenges and the successes during the strategic period.

Companies achieve this by ensuring that when setting up the strategic plan, there are measurable benchmarks that have been put in place. Without clearly defining something, it is difficult for it to be measurable. This allows the company to ensure tracking of the strategic plan and whether the current performance reflects of the reflected performance. After having these clear benchmarks, they are communicated to the employees of the company who are contributing to the achievement of this strategic plan. This ensures that as the employees work towards the success of the company strategy, there is a clear expectation from senior management on what is expected of each one of them every step of the strategic plan. Monitoring plans will also be established to ensure that the strategy is evaluated by looking at the evolving requirements of the business, for example client needs, timelines are also set to ensure there are clear expectation on what deliverables are expected weekly, monthly, quarterly, and annually.

When these changes and evolving needs are monitored, companies will have a review plan providing for a report of the actual results in the company as compared to the projected or expected performance. This is the case with Large Pharmaceutical Companies in Nairobi

County during the COVID-19 Pandemic. With evolving times that changed and evolved the nature of operating their businesses, these companies were pushed to evolve and evaluate how they conduct business during these unprecedented times. These companies monitored and evaluated their businesses where they were pushed to put in controls and changes, some employees were given multiple roles, some roles were delivered virtually. This readjustment allowed the businesses to evolve with the times ensuring they maintained or even enhanced their performance.

2.6 Empirical Studies and Knowledge Gaps

A good strategy in an organization is only as good as it is consistent with the organization's structure and dimension. When there is an alignment and the organization's strategy and structure are consistent, the implementation process is more effective and efficient compared to a situation when they are not. When the people in an organization are aligned with the resources in the organization, strategy implementation is more effective and such organizations are considered high performers (Hertzum, 2021).

The resource-based theory assumes that once a company, organization, or business is in possession of strategic resources, it has the potential and ability to grow, adapt, and evolve, attaining a competitive advantage against those in competition. Once a company has this competitive advantage, it in turn enjoys very high profits (Wolf & Floyd, 2017). While the external threats and opportunities can shake up the stability of an organization, its internal strengths and downfalls remain to be the the primary constants are the pillar and identity of the organization's strategy. When an organization has leveraged on resources that are not easy to imitate, this gives their competition in the market an equally going to difficult time coming up with the exact same or duplicating those resources. The business, however, can come up with legal actions to protect these resources, including trademarks, patents, and copyrights. Other

resources will evolve over time reflecting the uniqueness of the organization thus becoming difficult to imitate (Kraaijenbrink et al., 2010). On the other hand, non-substitutable resources are those that the competition is unable to come up with other ways of benefitting from the advantages that a particular resource provides. An example is good customer care and responsiveness resulting to customer loyalty.

These theories however do not highlight how an organization would adapt in an event of unexpected or chaotic events like what has been brought about by the COVID-19 pandemic. There is no clear guidance and projection on how business should behave in unprecedented times and how employees should be guided and communicated to on the changes happening in the business. Most businesses have had their strategies affected because they have not been prepared of how they would adapt if there was an interference in business. To ensure that the organization remains adaptable and relevant in terms of performance, all the activities that revolve around ensuring that implanting the strategy is being assessed closely, evaluated and re-evaluated. Additionally, when coming up with a strategic plan, companies need to have in place a monitoring, control, and evaluation plan. This guides the business ensuring that there is continuous monitoring of the business and evaluation in order to readjust to the evolving external environment. The business can have an aligned strategy, structure and resources and still not achieve optimal performance, having been presented with uncertain times like the COVID-19 Pandemic where organizations had to evolve from the face-to-face way of doing business and embracing hybrid and virtual options to be able to reach their customers.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Methodology describes the process the researcher is taking to carry out and conducting a research study. It describes the plan the researcher has in approaching the study and the methods and techniques they are planning on using. Methodology describes the logical and systematic plan that has a researcher is going to use to be able to respond to the research problem that they are looking at. The researcher uses methodology to be able to achieve valid and reliable results, meet the research objective and be able to respond to their research question. It clearly describes the kind of data that is going to be obtained from the field, where it is going to be obtained, and the how on collecting and analysing this data. Research methodology in a research study makes the study legitimate by producing findings that are scientifically sound.

Methodology also gives a clear plan and direction that ensures the researcher is on track. Additionally, when readers and other researchers are reading the research work, they are able to understand the research approach used by the researcher and the methods. This because the methodology gives a clear plan on what the researcher is doing to achieve their research objectives. The methodology that was used for this study is described in this chapter. This chapter also looked at the research design that was used, the kind of information that was going to be collected, the population size and the instruments and techniques that were used when collecting and analysing the data.

3.2 Research Design

Various techniques, methods and procedures are applied in a research study in collecting and analysing the variable measures to answer the research problem. This is what is known as a research design (Marczyk et al., 2021). This was a cross-sectional study. A cross-sectional study is an observational study through which data obtained from the target population is analysed and this data is known as cross-sectional data.

The data obtained through the respondents from the large pharmaceutical companies based in Nairobi County was analysed and the results thereof used in answering the research problem. The question ‘what’ was answered through this study. This quantitative and qualitative data collected were material in explaining how the COVID-19 pandemic impacted implementation of strategy and performance of large pharmaceutical companies in Nairobi County.

3.3 Population of the Study

In a research study, a population is defined as the collection of the elements (people or objects) that are usually the target for the scientific query or scientific study (Landreneau & Creek, 2009). From the target population, once the research study was complete, the conclusion of the study was drawn. Usually, a certain criterion is followed on who is going to be part of the target population and who is not going to be. In this study, the target population was the top 60 large pharmaceutical companies that are based within Nairobi County. These companies were both that are local, manufacturing products locally, and multinational that are bringing products from their mother companies, have been arrived upon by their annual sales, their number of employees, their number of products registered with the Pharmacy and Poisons Board and their ranking internationally for the multinational companies.

3.4 Data Collection

This research study relied on both primary and secondary data. The secondary data was obtained from internal publications. This data was obtained in the period between the years 2015 to 2019. Primary data was obtained from the respondents through a self-administered interview. A self-administered interview enables the respondent to respond to a list of questions without the researcher being in their presence (Nassaji, 2015).

The respondents targeted for this study were the pharmacists in charge, managing directors, chief executive officers, medical advisors, marketing managers, product specialists and the field marketing representatives. These are involved actively in formulating the organizational strategy, implementation of the organization's strategy, sourcing of products, marketing and selling of products. The target was to reach about two respondents per institution and the study was covering twenty pharmaceutical companies in Nairobi, Kenya.

Table 1: Summary of respondents involved in the study.

Category		Frequency	Percentage
Top level management	MDs and CEOs	10	16.67%
Middle level management	Company Pharmacists	10	16.67%
	Medical Advisors	10	16.67%
	Marketing Managers	10	16.67%
Low level management	Product Specialists	10	16.67%
	Medical sales representatives	10	16.67%
Total		60	100

Source: Primary Data 2023

3.5 Data Analysis

The data collected for this study was both quantitative and qualitative. Before the data analysis, data integrity check was done, checking for completeness, accuracy, and consistency. The information collected was then input into SPSS. The qualitative information was then analysed using descriptive statistics and the data is presented in form of figures and tables. A correlation analysis was conducted to analyse the relationship between variables. How the change in independent variable affected the dependent variable was determined through multiple regression analysis (Nassaji, 2015). The regression model was as below.

$$Y = \beta_0 + \beta_1 X_1 + e$$

Y is the variable response performance of large pharmaceutical companies during the COVID-19 pandemic

X_1 is strategic implementation

β_0 is the constant

β_1 is the coefficient for the independent variable, e is the error item

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter consists of data analysis, results and discussion of the study objectives. The chapter involves the general information, quantitative analysis and discussion results. The study targeted 60 respondents who were issued with questionnaires.

4.2 Response Rate

There were a total number of 60 respondents issued with questionnaires, the returned questionnaires were 35. Therefore, the response rate was 58.3%. Mugenda and Mugenda (2009) highlights that when the rate of response is 50% and above, this is sufficient for analysis, 60% and above is good while that of 70% and above is excellent. From this, the study sample size was adequate for analysis.

Table 2: Response rate

Item	Frequency	Percentage
Response	35	58.3%
Non-Response	25	41.7%
Total	60	100

Source: Primary Data 2023

4.3 General Information

This section highlights the role of the respondents in their respective companies and their period of service. The employees in these companies were to indicate their role in the company and the outcome was as summarized in table 3.

Table 3: Respondent Role in the Company

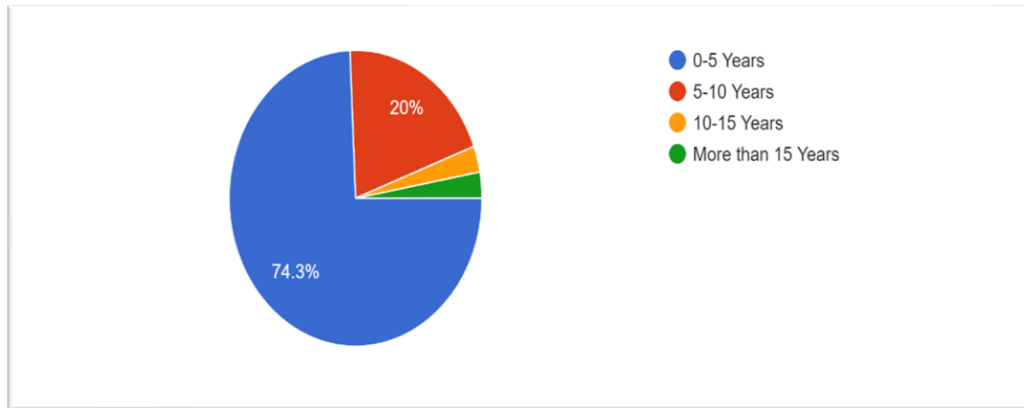
Item	Frequency	Percentage
Business strategy analyst	1	2.9
Commercial & Programs	1	2.9
Country GM	1	2.9
Managing Director or CEO	2	5.7
Marketing Manager	3	8.6
Medical Advisor	1	2.9
Medical Sales Representative	12	34.3
Pharmacist	13	37.1
Product owner-technical	1	2.9
Total	35	100.0

Source: Primary Data 2023

From Table 3, we are able to see that majority (37.1%) of the respondents are pharmacists, 34.3% were medical sales representatives, 8.6% were marketing managers, 5.7% were managing directors while 2.9% represented Business strategy analyst, Commercial & Programs, Country GM, medical advisor and product owner-technical respectively. This implies that most of the responses were received from employees who worked as pharmacists.

The study determined how many years these employees had served in the different companies. The results were as summarized in Figure 1.

Figure 1: Period of Service



Source: Primary Data 2023

From Figure 1 shows that majority (74.3%) of the responses were from individuals who had worked in their company for 0-5 years, 20.0% had stayed in their organization for 5-10 years, 2-9% had worked in their company for 10-15years and more than 15 years respectively. This shows that most of the employees had stayed in their organization for a sufficient period to provide valuable information required in this study.

4.4 Effect of COVID-19 Pandemic on Strategy Implementation and Organizational Performance

The study sought to determine whether the large pharmaceutical companies in Nairobi County have an ongoing strategic plan. Table 4 shows the results.

Table 4: Company Ongoing Strategic Plan

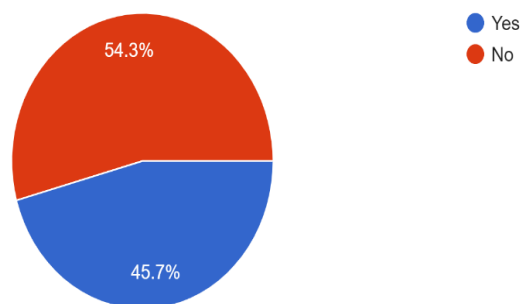
Item	Frequency	Percentage
No	4	11.4
Yes	31	88.6
Total	35	100.0

Source: Primary Data 2023

From table 4 above, most (88.6%) of the large pharmaceutical companies in Nairobi County have an ongoing strategic plan while 11.4% did not have an ongoing strategic plan. Therefore, large pharmaceutical companies in Nairobi County have an ongoing strategic plan. Having a strategic plan guides an organization to achieve its set goals.

The study aimed at determining the respondent’s role in their company’s strategic leadership, as shown in in Figure 2 below.

Figure 2: Role of Respondents in Company’s Strategic Leadership.



Source: Primary Data 2023

Figure 2 shows that majority (54.3%) had no role in their company’s strategic leadership while 45.7% had a role in their company’s strategic leadership. This implies that in most of the large pharmaceutical companies in Nairobi County, the employees have no role in their company’s

strategic leadership. Companies require employees in the implementation of organizational strategy and hence they should be involved in strategic leadership.

This study aimed at determining how the pandemic resulted to a change in the organizational structure, as it is shown in Table 5 shown below.

Table 5: Effect of the Pandemic on Organizational Structure

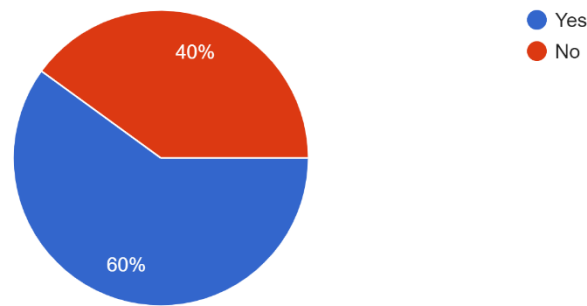
Item	Frequency	Percentage
No	12	34.3
Yes	23	65.7
Total	35	100.0

Source: Primary Data 2023

Table 5 shows that most (65.7%) of the employees shared that the Covid-19 pandemic resulted to a change in the organizational structure while 34.3% noted that the pandemic has not led to a change in the organizational structure. This means that the pandemic resulted to a change in the organizational structure of the large pharmaceutical companies in Nairobi County. The COVID-19 pandemic influenced pharma companies to rethink their organizational structure to reform and evolve due a changing environment for their business.

The study sought to determine if there has been a formal evaluation of the strategy of the organization in the period the COVID-19 pandemic was ongoing. The outcome from their responses are in figure 3.

Figure 3: Formal Evaluation of the Strategic Plan During the COVID-19 Pandemic



Source: Primary Data 2023

Figure 3 shows that most (60%) of the employees indicated that there has been a formal evaluation of the strategic plan during the COVID-19 pandemic period while 40% indicated no. This shows that in most of the large pharmaceutical companies in Nairobi County there has been a formal evaluation of the strategic plan during the COVID-19 pandemic period. This is because the pandemic resulted to change in the work environment. That is the organizational environment was highly disrupted. This shows that the companies had to evaluate their strategic plan to adjust to the business environment.

The study sought to determine how COVID-19 challenges impact the company’s business strategy. The results were summarized in table 6.

Table 6: The Impact of COVID-19 Challenges to your company’s Business Strategy

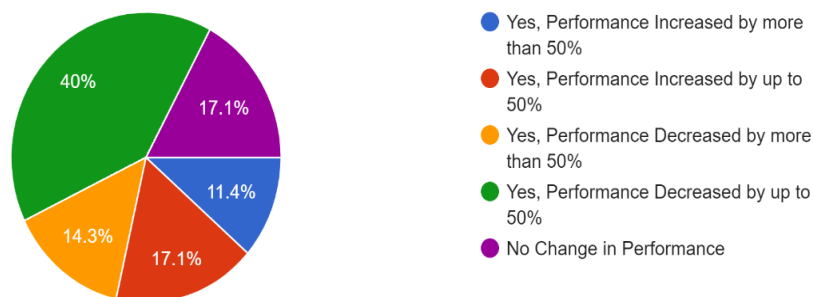
Item	Frequency	Percentage
Not affected	10	28.6
Adversely affected	25	71.4
Total	35	100.0

Source: Primary Data 2023

From Table 6 majority (71.4%) of the employees responded that their company business strategy was adversely affected during the pandemic while 28.65 indicated that their business strategy was not affected. This implies that COVID-19 challenges adversely affected company’s business strategy. Following the social distancing, lockdowns and curfews, these measures have resulted to the disruption of businesses in large pharmaceutical companies in Nairobi County. Therefore, the companies experienced challenges during the COVID-19 pandemic and were required to change their business strategy.

The study aimed at determining whether the COVID-19 pandemic affected the company’s performance as summarized below in Figure 4.

Figure 4: Effect of COVID-19 Pandemic on Company’s Performance.



Source: Primary Data 2023

Figure 4 results show that most (40.0%) of the employees shared that their company’s performance decreased by up to 50%, 17.1% of the respondents indicated that there was no change in performance and yes, performance increased by up to 50% respectively, 14.3% indicated that performance decreased by more than 50% while 11.4% noted that performance increased by more than 50%. This implies that in majority of the pharmaceutical companies,

performance decreased by up to 50% at the time of the Covid-19 pandemic. This decreasing performance because of the restrictions that came by during the pandemic to minimize its spread. Restrictions such curfew, social distancing and limited business activities resulted to decreased performance.

The study sought to determine if during this period, has there been up to date communication on the business' performance. The results were as shown in Table 7.

Table 7: Communication on Business Performance During the COVID-19 Pandemic

Item	Frequency	Percentage
No	2	5.7
Yes	33	94.3
Total	35	100.0

Source: Primary Data 2023

From Table 7, most (94.3%) of the employees responded that there had been up to date communication on the business' performance while 5.7% indicated that there had not been up to date communication on business performance during the pandemic. This implies that the pharmaceutical companies in Nairobi County were providing up to date communication on the business' performance during the pandemic. The companies are required to publish their performance hence even during the pandemic the pharmaceutical companies complied with the requirements.

The study was determining if there was change on how the employees delivered their current role. The results are as shown in Table 8

Table 8: Change in Delivery of the Current Role

Item	Frequency	Percentage
Increased workload	1	2.9
Merged roles	2	5.7
Merged roles, Increased workload	1	2.9
No change	1	2.9
Working virtually (working from home)	14	40.0
Working virtually (working from home), Increased workload	6	17.1
Working virtually (working from home), Merged roles, Increased workload	5	14.3
Working virtually (working from home), Merged roles, Job losses	1	2.9
Working virtually (working from home), Merged roles, Reduced workload	1	2.9
Working virtually (working from home), Merged roles, Terminations big time	1	2.9
Working virtually (working from home), Reduced workload	2	5.7
Total	35	100.0

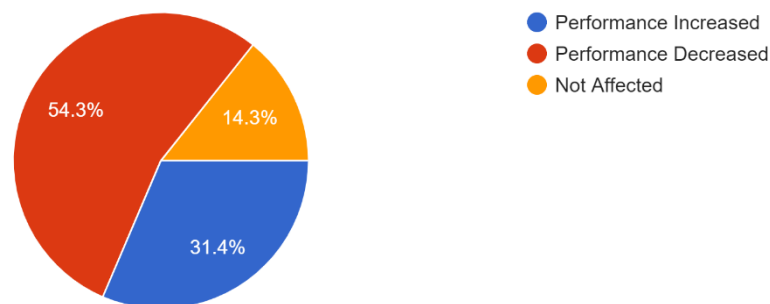
Source: Primary Data 2023

From above, most (40.0%) of the employees highlighted that there was a change on how they delivered their current role since they were working from home, 17.1% indicated that they were working virtually (working from home) and increased workload, 14.3% indicated that they were working virtually (working from home), merged roles and increased workload, 5.7%

indicated that they were working virtually (working from home), reduced workload and merged roles while 2.9% indicated that they were working virtually (working from home), merged roles and job losses, working virtually (working from home), merged roles and reduced workload, working virtually (working from home), merged roles and terminations big time, increased workload, merged roles and increased workload and no change respectively. This implies that there was change on work delivery in the pharmaceutical companies since majority of the people employed in these companies delivered their roles from home.

The study sought to determine how change in work delivery impacted on business performance. From the results were as shown in figure 5.

Figure 5: Change of Work Delivery and Impact the Business Performance

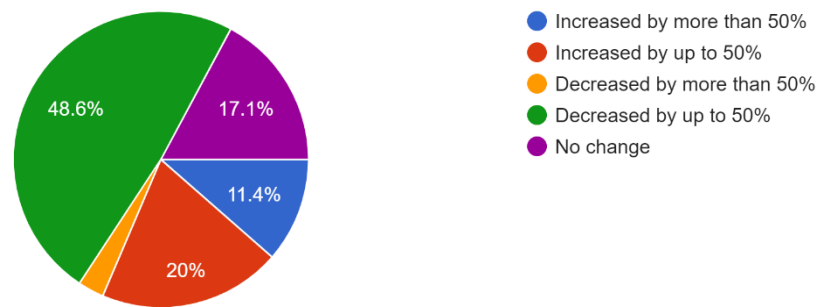


Source: Primary Data 2023

Most (54.3%) of the employees indicated that the change in how they delivery their work led to decreased performance, 31.4% indicated that performance increased while 14.3% indicated that performance was not affected. This implies that change in how the employees delivered their work led to decreased performance in the pharmaceutical companies in Nairobi County. Change in an organization trigger resistance which affect operations and performance.

The study sought to determine how the company's net profit for the year 2020 change compared to 2019. Figure 6 shows the results.

Figure 6: Net profit for the year 2020 change compared to 2019



Source: Primary Data 2023

From Figure 6 depict that, a big percentage (48.6%) of the people employed in these companies noted that the net profit for the year 2020 decreased by up to 50% compared to 2019, 20% indicated that the net profit for the year 2020 increased by up to 50% compared to 2019, 17.4% noted that there was no change while 2.9% indicated the net profit for 2020 decreased by more than 50% compared to 2019. This implies that in most of the pharmaceutical companies' profit for the year 2020 decreased by up to 50% compared to 2019. The decrease in profitability of the firms was due to decrease in business activities during the pandemic. The pandemic resulted to limited access to the pharmaceutical products by individuals and institutions. Further, the change in strategic plan affected the companies' normal operations because individuals in the organization may take time to adjust to new strategies.

From the responses provided, the employees also highlighted the name of their company they worked for. The companies indicated include Johnson & Johnson, B. Braun Medical, Sevier, Megascop, KEMSA, Becton Dickinson, Bayer Pharmaceuticals, Abbott, Laboratory & Allied, Virgil Science, Cipla, Ilara Healthcare, GlaxoSmithKline, Surgipharm, MEDS,

Kenpharma, Skylight Pharmaceuticals, Bimeda Healthcare, Beta Healthcare, Philips Pharmaceuticals, Cosmos Limited, Biodeal, Laborex, Autosterile, Roche, Harleys, Pfizer Laboratories Ltd, Novo Nordisk Kenya Limited, Merck Healthcare and Life Science Ltd, Boehringer Ingelheim Division, Eli Lilly, Fresenius Kabi, Glenmark Pharmaceuticals, Novartis Pharmaceuticals and Dinlas Pharma

4.5 Regression Analysis

The regression analysis was conducted to look at how the independent variable was relating with and dependent variables. Therefore, the model summary, analysis of variance and beta coefficients were determined. The objective of the study was to determine the effect of strategy implementation on performance of large pharmaceutical companies during the pandemic in Nairobi County.

The model summary was used to determine the variations of performance of the pharmaceutical companies due to strategy implementation. The results were as shown in Table 4.9.

Table 9: Model Summary

Model	R	R Square	Adj. R Square	Std. error of the estimate	Sig.
1	0.694	0.482	0.478	0.3270	0.001

Source: Primary Data 2023

From Table 9, the R squared value was 0.482, this indicated that 48.2% explained the performance of large pharmaceutical companies during the Covid-19 pandemic due to strategy implementation. The remaining 51.8% showed that other factors can be attributed to performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County.

To check if the model was a good fit at 0.05 significance level, analysis of variance was used to determine this as show in the results in Table 10.

Table 10: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Residual	5.903	1	5.903	20.078	.001 ^b
Regression	10.004	34	0.294		
Total	15.907	35			

Source: Primary Data 2023

The ANOVA results show that the model had a significance level of 0.001 which is less than the selected significance level 0.05. This implies that the model is a good fit in predicting the effect of strategy implementation on performance of large pharmaceutical companies during the pandemic in Nairobi County. Further, the f-calculated (20.078) was greater than the f-critical (4.130) indicating that strategy implementation significantly affect performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County.

The beta coefficient results were as shown in Table 11.

Table 11: Beta Coefficients

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	Constant	0.846	0.201		4.209	.001
	Strategy implementation	0.236	0.085	.211	2.776	.001

Source: Primary Data 2023

The regression model was as follows.

$$Y = 0.846 + 0.236X_1$$

The equation depicts that holding strategy implementation at a constant, performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County would be at a constant of 0.846.

Further, there was a statistically significant and positive association between strategy implementation and performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County ($B=0.236$, $p=0.001$). This is an indication that a unit increase of strategy implementation would result to an increase of performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County by 23.6%.

4.6 Discussion of Research Findings

The findings show that large pharmaceutical companies in Nairobi County had an ongoing strategic plan during the pandemic. This is consistent with suggestions by Hertzum (2021) that having a strategic plan guides an organization to achieve its set goals. It was also revealed that in most of the pharma companies, the employees have no role in their company's strategic leadership. This differs from conclusions by Raps (2005) that an organization requires the employees in the implementation of organizational strategy. Also, due to the pandemic there was a change in the organizational structure of the large pharmaceutical companies in Nairobi County. It was noted that the large pharmaceutical companies in Nairobi County there has been a formal evaluation of the strategic plan during the COVID-19 pandemic period. Nicola et al. (2020) posits that during the COVID-19 pandemic, businesses have been grossly affected and large pharmaceutical companies in Nairobi County have not been an exception.

The results showed that COVID-19 challenges adversely affected company's business strategy. Following the social distancing, lockdowns and curfews, these measures resulted to the disruption of businesses in large pharmaceutical companies in Nairobi County. According to Nicola et al. (2020) no matter how established and well grounded, organizations experienced a challenge during these unprecedented times thanks to the COVID-19 pandemic.

The results indicated that in most of the pharmaceutical companies' profit for the year 2020 decreased by up to 50% compared to 2019. Also, pharmaceutical companies in Nairobi County were providing up to date communication on the business' performance during the pandemic. Further, there was change on work delivery in the pharmaceutical companies since majority of the employees were working from home. The findings are consistent with assertions by Wolf and Floyd (2017) that the resource-based theory assumes that once a company, organization, or business is in possession of strategic resources, it has the potential and ability to grow, attaining a competitive advantage against those in competition. Once a company has this competitive advantage, it in turn enjoys very high profits. While the external threats and opportunities can shake up the stability of an organization, its internal strengths and weaknesses remain to be the primary constants are the pillar and identity of the organization's strategy.

Results also indicated that change in how the employees delivered their work led to decreased performance in the pharmaceutical companies in Nairobi County. While the decrease in profitability of the firms was due to decrease in business activities during the pandemic. Nicola et al. (2020) posit that an organization having a good strategy is not equivalent to achieving excellent performance in the business. During the COVID-19 pandemic, businesses have been grossly affected and large pharmaceutical companies in Nairobi County have not been an exception. Karpen and Conduit (2020) explained that large pharmaceutical companies in Nairobi County were initially hit hard considering patients were not confident visiting hospitals. This means that hospitals were not consuming as much pharmaceutical supplies

compared to during a normal period when the hospitals are filled to capacity, if not fully, up to seventy five percent. As the pandemic progressed both globally and here in Kenya, global supply chains and global production were interfered with. This means that there was scarcity or no supply at all of pharmaceutical products hence decreased profitability.

The study revealed that 48.2% of the performance of large pharmaceutical companies during the Covid-19 pandemic was due to strategy implementation. It was also noted that strategy implementation significantly affected performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County. Further, there was a statistically significant and positive association between strategy implementation and performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County. Therefore, a unit increase of strategy implementation would result to increase of performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County. This is consistent with result by Beleska-Spasova et al. (2012) that ways to ensure that the performance of the company matches its strategy is by having simple, clear and precise goals. Clear communication between the teams involved in coming up with the strategy and the team involved in the implementation of the strategy. For optimum performance, there should be continuous monitoring and evaluation of performance, with a good corrective action system.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECCOMENDATIONS

5.1 Introduction

This chapter covers the summary, conclusions and recommendations of the study findings. The objective of this research was to determine the effect of the COVID-19 pandemic on strategy implementation and performance of large pharmaceutical companies in Nairobi County.

5.2 Summary of Findings

The study revealed that during the Covid-19 pandemic the large pharmaceutical companies in Nairobi County have an ongoing strategic plan. It was revealed that the employees have no role in their company's strategic leadership. The study found that the pandemic resulted to a change in the organizational structure of the large pharmaceutical companies in Nairobi County. Further, the large pharmaceutical companies had a formal evaluation of their strategic plan during the COVID-19 pandemic period. The study also established that COVID-19 challenges adversely affected company's business strategy.

The study found that in the pharmaceutical companies, performance decreased by up to 50% during the Covid-19 pandemic. Further, the companies were providing up to date communication on the business' performance during the pandemic. The study also revealed that there was change on work delivery in the pharmaceutical companies since majority of the employees were working from home. Results also indicated that change in how the employees delivered their work led to decreased performance in the pharmaceutical companies in Nairobi County. While the decrease in profitability of the firms was due to decrease in business activities during the pandemic.

The study revealed that 48.2% of the performance of large pharmaceutical companies during the Covid-19 pandemic was due to strategy implementation. It was also noted that strategy implementation significantly affected performance of large pharmaceutical companies during

the Covid-19 pandemic in Nairobi County. Further, there was a statistically significant and positive association between strategy implementation and performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County. Therefore, a unit increase of strategy implementation would result to increase of performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County.

5.3 Conclusion of the Study

The study revealed that the Covid-19 pandemic influenced the pharmaceutical companies' strategic plan. This led to the evaluation of the strategic plan to suit the present situation. The change in strategic plan was important to meet the present customer needs and to continue operations. The study concluded that the COVID-19 pandemic had a negative effect on operations and strategy implementation in the pharmaceutical companies.

Further, it was revealed that performance of the pharmaceutical companies, decreased during the Covid-19 pandemic. Also, change in how the employees delivered their work led to decreased performance. Therefore, it was concluded that the Covid-19 pandemic adversely affected the performance of the pharmaceutical companies due to reduced operations.

It was noted that the pandemic prompted for change in organizational structure. Also, there was change in work delivery since employees were working at home. Change in the work environment can result to reduced productivity for employees. Therefore, it was concluded that the COVID-19 pandemic led to disruption in the work environment which affected the performance of the pharmaceutical companies in Nairobi County.

It was also noted that strategy implementation significantly affected performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County. Therefore, a unit increase of strategy implementation would result to increase of performance of large pharmaceutical companies during the Covid-19 pandemic in Nairobi County. Hence, the study concluded that strategy implementation significantly affected performance of large pharmaceutical companies during the Covid-19 pandemic.

5.4 Recommendations on Policy, Theory and Practice

5.4.1 Implication on Policy

It is recommended that Pharmaceutical Company Industry Associations should come up with policies that facilitate the conduct of businesses during global pandemics. An example is a provision of Import waivers to allow companies to bring in raw materials and finished products in an efficient manner allowing them to attain and maximize profits keeping these businesses afloat during global pandemics.

5.4.2 Implication on Theory

The Covid-19 pandemic adversely affected implementation and performance of the large pharmaceutical companies in Nairobi County. The study recommends that the pharmaceutical companies should be flexible to be able to adjust to change in the business environment due to the pandemic. The company strategies should be easily adjustable to meet present business need. This would help the companies to remain competitive even in the middle of the pandemic.

5.4.3 Implication on Practice

Companies should adopt information communication technology. This would help the companies to sell its products online and also enhance communication with employees who are working at home. This would help in continued business operations in case of a pandemic. This would also ensure that the goals of the organization are achieved. Additionally, it is

recommended that the companies should involve their employees in their strategic plans. This would help employees to feel that they are valued in the organization. This would also reduce resistant to change in the organization. Therefore, the organization would be able to successfully implement strategies.

5.5. Limitations of the Study

Even though the questionnaires were distributed to the respondents, there was no 100% response by the respondents. This was due to their busy work programs. Primary data was used in this study. Incorporation of more secondary data could provide deeper insights. The objective of this study was to determine the effect of the COVID-19 pandemic on strategy implementation and performance of large pharmaceutical companies in Nairobi County. This study was only limited to large pharmaceutical companies based in Nairobi County. The study was limited to the effect of the COVID-19 pandemic on strategy implementation and performance of large pharmaceutical companies in Nairobi County.

This study did not give an opportunity to look at how other smaller scale pharmaceutical companies were affected by the COVID-19 pandemic. Additionally, the study also did not give a picture of how the performance of these large pharmaceutical companies looked like before the pandemic and afterwards.

5.6 Suggestions for Further Research

The objective of this research was to determine the effect of the COVID-19 pandemic on strategy implementation and performance of large pharmaceutical companies in Nairobi County. The study recommends that another study should be conducted in the manufacturing sector. Further, a study should be conducted to determine how COVID-19 has impacted on technology use in companies.

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APPENDICES

Appendix I: Research Questionnaire

Strategy Implementation and Business Performance of Large Pharmaceutical Companies During the Covid-19 Pandemic in Nairobi County

Pharmaceutical companies play a key role in the provision of healthcare supplies from pharmaceutical products/ drugs, nutritional supplements and other non-pharmaceutical products. The ongoing COVID-19 pandemic has affected economies and pharmaceutical companies have not been left out. This study aims to analyze the effect of the COVID-19 pandemic on large pharmaceutical companies in Nairobi County.

1. What is your role in your company?

- Managing Director or CEO
- Pharmacist
- Medical Advisor
- Marketing Manager
- Supply Chain Officer
- Medical Sales Representative
- Other:

2. How long have you worked in this company?

- 0-5 Years
- 5-10 Years
- 10-15 Years
- More than 15 Years

3. Does your company have an ongoing strategic plan? (Yes/ No)

4. Do you have a role in your company's strategic leadership? (Yes/ No)
5. Has the pandemic resulted to a change in the organizational structure? (Yes/ No)
6. Has there been a formal evaluation of the strategic plan during the COVID-19 pandemic period? (Yes/ No)
7. How did the COVID-19 challenges impact your company's business strategy?
 - Not Affected
 - Adversely Affected
8. Has COVID-19 affected your company's performance?
 - Yes, Performance Increased by more than 50%
 - Yes, Performance Increased by up to 50%
 - Yes, Performance Decreased by more than 50%
 - Yes, Performance Decreased by up to 50%
 - No Change in Performance
9. During this period, has there been up to date communication on the business' performance? (Yes/ No)
10. Was there a change on how you deliver your current role?
 - Working virtually (working from home)
 - Merged roles
 - Increased workload
 - Reduced workload
 - No change
 - Other:
11. How did this change impact the business performance?
 - Performance Increased

- Performance Decreased
- Not Affected

12. Did your net profit for the year 2020 change compared to 2019?

- Increased by more than 50%
- Increased by up to 50%
- Decreased by more than 50%
- Decreased by up to 50%
- No change

13. What is the name of your company?

Appendix II: List of Large Pharmaceutical Companies in Nairobi County

1. Johnson & Johnson
2. B. Braun Medical
3. Sevier
4. Megascop
5. KEMSA
6. Becton Dickinson
7. Bayer Pharmaceuticals
8. Abbott
9. Laboratory & Allied
10. Virgil Science
11. Cipla
12. Ilara Healthcare
13. GlaxoSmithKline
14. Surgipharm
15. MEDS
16. Kenpharma
17. Skylight Pharmaceuticals
18. Bimeda Healthcare
19. Beta Healthcare
20. Philips Pharmaceuticals
21. Cosmos Limited
22. Biodeal
23. Laborex
24. Autosterile

25. Roche
26. Harleys
27. Pfizer Laboratories Ltd
28. Novo Nordisk Kenya Limited
29. Merck Healthcare and Life Science Ltd
30. Boehringer Ingelheim Division
31. Eli Lilly
32. Fresenius Kabi
33. Glenmark Pharmaceuticals
34. Novartis Pharmaceuticals
35. Dinlas Pharma

Source: Pharmacy and Poisons Board Facilities Register 2023