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HIGGINS MODEL DIMENSIONS AND PERFORMANCE OF MULTINATIONAL PHARMACEUTICAL FIRMS IN KENYA

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ABSTRACT

The pharmaceutical industry in Kenya is experiencing exponential growth hence it presents opportunities for distribution of pharmaceutical products and services. As of 2024, market value of pharmaceutical industry in Kenya is about USD$525.40 million and its expected compound annual growth rate (CAGR) is 8%. Despite realisation on the importance of strategy implementation, it is still greatly overshadowed by a focus on the strategy formulation process. Literature available on strategy implementation is very scarce and especially in the pharmaceutical industry. This study, therefore, was poised to explore and determine the effect of two strategic implementation dimensions of Higgins model (i.e., **S**taff capacity building, and Re-**S**ources) on performance of multinational pharmaceutical firms in Kenya. The main focus of this study was to establish the effect of Higgins model dimensions on performance of multinational pharmaceutical firms in Kenya. The study was guided by the following specific objectives; to establish the effect of staff capacity building on performance of multinational pharmaceutical firms in Kenya and to assess the effect of resources allocation on performance of multinational pharmaceutical firms in Kenya. This study was supported by the Human capital theory and resource-based view. Cross-sectional survey research design was adopted. The unit of analysis was selected from 11 pharmaceutical MNCs in Kenya. The management employees formed the unit of observation. Therefore, the target population included 55 management employees from the select 11 multinational pharmaceutical firms in Kenya. Census sampling was used on the 55 respondents. Semi-structured questionnaire was adopted for data collection. To test for validity and reliability of data collection instrument, 10 questionnaires were pilot tested. SPSS software version 28 was used for data analysis. The analysed data was presented in the form of frequency distribution tables, pie charts and bar graphs where appropriate. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Multiple regression model was fitted to the data to determine how the independent variables affect the dependent variable. Results revealed that Staff capacity building ensures a skilled workforce adept at navigating dynamic pharmaceutical landscapes in Kenya. Strategic resource allocation optimizes financial and human capital, enabling swift responses to market demands. The study concludes that staff capacity building and resource allocation all have a positive significant effect on performance of multinational pharmaceutical firms in Kenya. In recommendations, Multinational pharmaceutical firms should prioritize staff capacity building as this will foster a skilled workforce adaptable to industry changes. Implementing innovation and optimal use of resources thus enhancing overall performance and competitiveness in the global market.

Key Words: Staff Capacity Building, Higgins Model Dimensions, Staff Capacity Building, Resources Allocation, Performance of Multinational Pharmaceutical Firms

Background of the Study

Aladwan and Forrester (2016), argue that the real challenge in strategic planning rests with turning the strategies and plans into actions to accomplish strategic objectives and goals and doing this requires effective strategy implementation. Strategic planning is an effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, (Bryson, 2018). Strategic planning usually encompasses the big picture approaches that solve the most serious issues facing an organization's long-term efficiency and effectiveness (Poister & Streib, 2019). Organizations need to adjust to changing circumstances and move into the future in a resolute to ensure continued viability and fit with a changing environment (Palladan & Adamu, 2018).

Various models have been proposed by scholars who are designed to ultimately help organizations implement their strategies effectively. One of them is the Higgins 8S model that was designed by Higgins in 2005. It is a revision to the famous McKinsey 7S model. Its aim is to enable management to manage the cross functional execution of strategies more effectively and efficiently. According to Higgins, most of the most successful managers spend most of their time on strategy execution (Higgins, 2005). Much of strategy execution revolves around aligning key organizational functions and factors with the chosen strategy.

However, with frequently occurring changes in the business environment, strategies are reshaped more often as compared to the past, making the alignment process a bigger challenge (Huber, 2017). Higgins pinpoint that importantly the model serves as a road map for implementation during the execution stage, helps uncovering the causes of failure during implementation. This study therefore seeks to establish the effect of four Higgins model dimensions (**S**taff capacity building, **S**tyle (leadership management), **S**ystems and Processes, and Re-**S**ources) on performance of multinational pharmaceutical firms in Kenya (Mammilla, 2019).

Statement of the Problem

Although strategy is practically a central concern in contemporary management, putting it into action remains an essential challenge for virtually any organization. In a dynamic environment, the organization itself is faced with a need to change (Khalif, 2018). Strategy implementation is the key that opens doors to creatively align organizational strategy with its internal support systems that transforms analysed and formulated strategies into action (Morgan, 2017). An organization in the pharmaceutical business, which is a business that competes in the knowledge economy for discovering and commercializing therapeutic agents, must endeavour to continually develop strategies to protect its intellectual capital and improve performance (Gupta, Rathore & Kashiramka, 2023).

Kenya's rapidly growing pharmaceutical market is expected to reach $525.40 million in 2024 and anticipated to grow at an annual growth rate (CAGR 2024-2028) of 5.37% resulting in a market volume of US$ 647.70M by 2028 (IQVIA report 2023). The largest market is Oncology with a projected market volume of $94.88M in 2024 controlling a market share of 18% (Statista Market Insights, 2024). Kabetu and Iravo (2018) emphasize the need to develop detailed strategy implementation map and matrix with goal and target clarity. The pharmaceutical industry in Kenya is experiencing exponential growth hence it presents opportunities for distribution of pharmaceutical products and services. Statistics from Common Market for Eastern and Southern Africa (COMESA) region had revealed the Kenyan market to be the largest, since it dominates 50% of existing market share. From a global comparison, United States is the market lead with a projected revenue generation of USD$636.90B in 2024 (Statista Market Insights 2024)

Despite realisation on the importance of strategy implementation, it is still greatly overshadowed by a focus on the strategy formulation process. Literature available on strategy implementation is very scarce and especially in the pharmaceutical industry. Strategic

management practices have widely been researched by many scholars in Kenya (Njanja 2016, Bukusi, 2017, Wahome 2017) no emphasis has been laid on use of strategy implementation practices in pharmaceutical industry on competitive priorities at all. Similarly, Olaka (2017) characterized the influence of strategic leadership over strategy implementation within Kenya commercial banks. Strategy innovations have also been individually assessed against commercial banks performance in Kenya (Kiiyuru, 2018; Muchemi & Moronge, 2017). Muchira, 2016; Gitau, 2018; Muchemi, 2018; Waititu, 2016; conducted studies on strategy implementation practices by commercial banks in Kenya and recommended comparative research to be conducted in other industries to identify similarities and differences.

There is a gap concerning Higgins model dimensions and performance. Gupta and Raman (2021) studied the influence of intellectual capital on performance of pharmaceutical firms in Thailand and the result indicated that intellectual capital, human capital, relational capital, process capital, and financial capital have a significant impact on financial performance. However, a conceptual gap exists as the study focused on intellectual capital while the present study focuses on Higgins model dimensions. A contextual gap exists as the study focused on pharmaceutical companies in Thailand while the present study focus on multinational pharmaceutical firms in Kenya. A methodological gap exists as the above study used secondary data while the present study uses primary data. Ngugi (2021) studied generic strategies and performance of pharmaceutical manufacturing companies in Nairobi City County, Kenya and showed that cost leadership strategy, product differentiation strategy and focus strategy positively and significantly influenced performance of pharmaceutical companies in Nairobi County, Kenya. However, a conceptual gap exists as the study focused on generic strategies while the present study focus on Higgins model dimensions. A contextual gap exists as the study focused on pharmaceutical companies in Nairobi County while the present study focus on multinational pharmaceutical firms in Kenya.

Mitaki and Kariuki (2021) studied the influence of shared values as a key element of Higgins model on performance of four-star hotels in Nairobi County, Kenya and concluded that shared values in the four-star hotels in Nairobi County were instrumental towards performance of four-star hotels. However, a conceptual gap exists as the study focused on shared values as the only element in Higgins model. A contextual gap exists as the study focused on four-star hotels in Nairobi County while the present study focus on multinational pharmaceutical firms in Kenya. Hence, the present study is timely and fills the existing gap to establish the effect of Higgins model dimensions on performance of multinational pharmaceutical firms in Kenya.

Objectives of the Study

The focus of this study was to establish the effect of Higgins model dimensions on performance of multinational pharmaceutical firms in Kenya.

Specific Objectives

The study was guided by the following specific objectives.

i. To establish the effect of Staff capacity building on performance of multinational pharmaceutical firms in Kenya.
ii. To assess the effect of Resources allocation on performance of multinational pharmaceutical firms in Kenya.

LITERATURE REVIEW

Theoretical Review

Human Capital Theory

The proponent of Human Capital theory was Gary Becker in 1963 with focus on the role of human capital in an individual's or a workforce's productivity and economic outcomes (Teixeira, 2014). The theory indicates that human capital refers to the stock of skills, knowledge, experience, and abilities that individuals possess. It is an intangible form of capital

that is developed through education, training, work experience, and other forms of personal development. The theory emphasizes that individuals' skills and knowledge are valuable assets that can lead to increased productivity and higher earnings. When applied to staff capacity building, organizations recognize that investing in their employees' human capital can result in a more skilled and productive workforce, leading to better economic outcomes for the organization (Moghtader, 2017).

Human capital is not innate but can be cultivated and improved through investments in education and training. Individuals, organizations, and societies can allocate resources to develop and enhance human capital. The theory posits that investments in human capital can result in economic returns. Individuals who acquire more human capital tend to earn higher incomes and are more productive in the workplace (Sandona, 2013). Human Capital Theory suggests that an individual's lifetime earnings potential is closely related to their level of education and skill development. Those with more human capital typically earn more over their careers. The theory acknowledges that a skills match between an individual's human capital and job requirements is crucial. A mismatch can lead to underemployment or inefficiencies in the labour market (Lochner, 2014).

The critics of the theory indicates that the theory oversimplifies the concept of human capital by reducing it to a set of measurable skills and knowledge. It doesn't account for other important aspects of human development, such as creativity, emotional intelligence, or social skills. The theory primarily concentrates on economic outcomes, such as higher wages or increased productivity. Critics contend that this focus neglects the broader societal benefits of education and personal development, such as improved well-being, social cohesion, and citizenship (Moghtader, 2017). The Human Capital Theory is highly relevant to staff capacity building within organizations. It provides a valuable framework for understanding the importance of investing in the development of employees' knowledge, skills, and abilities and how this investment can lead to improved individual and organizational performance. Organizations can use this framework to justify and plan investments in employee development programs, including training, workshops, and educational opportunities. Thus, the theory was relevant in establishing the effect of staff capacity building on performance of multinational pharmaceutical firms in Kenya

Resource-Based View Theory

The Theory of Resources and Capacities also known as the Resource-Based View (RBV) postulates that resources owned by an organization are critical for a firm to sustain competitive advantage and superior performance (Barney 2002). King (2007) predicted that resources possessed and managed by organizations can create a competitive advantage resulting in premium performance. The resources can be tangible such as raw materials, finances, real estate, computers; or intangible such as staff morale, reputation and patents (Mayer & Solomon, 2006). An organization’s capacity is the ability of combining resources, people and processes to transform inputs to outputs. RBV explains the role played by resources possessed by an organization in differentiating it from other organizations in the industry through superior performance giving it competitive advantage (Baumol, Litan & Schramm, 2009).

These different resources and capacities have positive implications on the performance of an organization. Organizations which allocate adequate resources to assets such as machinery, plant and equipment have a higher chance of premium performance than those that overlook such allocation (Ainuddin, Beamish, Hulland, & Rouse, 2007). Similarly, organizations that allocate resources to development of their personnel improve the human resources’ skills and competencies. This in turn influences how decisions are made and implemented affecting the overall performance of organizations (Rose & Kumar, 2007). Allocation of financial resources such as money in hand and bank, stocks and other derivatives affects how a firm invests and even takes advantage of the new opportunities (Morgan, 2019). Intangible resources such as reputation of the products/services of the organization, its brand name and experience have

significant implications on organization's activities. Capacities significantly affect an organization's performance and competitive ability (King, 2007).

The RBV views organizational performance as the key component in gaining competitive advantage. The theory focuses on the following when determining the value of resources allocated in an organization: Firstly, competitive superiority which states that any resource that helps fulfil the customers' needs better than those of the competitor should be strategically allocated to customer-centred activities for synergy of performance. Secondly, resource scarcity that states that any scarce resource should be sparingly allocated so that it can be sustained over time for continued organizational performance over the competitors who may not have access to the resource (Dierickx & Cool, 2009).

Thirdly, for long term competitive advantage, differentiating strategies can be implemented, when producing services such as programmes, so that competitors are not able to easily replicate; fourthly, inimitability that states that resources are allocated to ensure that unique aspects such as advanced practical are inbuilt in the courses for better performance over competitors; resources should be allocated to research for the appropriateness of the institution's activities in the industry. Lastly, for rare, potentially value-creating and imperfectly imitable, an equally important aspect is non-substitutability (Dierickx & Cool, 2009). If competing organizations can counteract the value-creating strategies with a substitute, prices are lowered to the point of loss of competitive advantage causing overall poor organizational performance (Crook, Ketchen, Combs & Todd, 2008).

The critics argue that the RBV theory does not adequately address the process of resource imitation. In practice, firms often face challenges in maintaining their resource-based advantages when competitors can imitate or acquire similar resources. The RBV theory often assumes that firms are homogenous and undifferentiated within the same industry. This assumption may not hold true, as firms can have different strategic positions, objectives, and management styles (Crook et al., 2008). This theory is relevant to this study because it explains the role played by allocation of internal resources in determining the organization performance of multinational pharmaceutical firms in Kenya. When the resources are strategically allocated to key organizational activities, the organizational performance increases as does the competitive advantage of the institution.

Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant field of enquiry and used to structure a subsequent presentation (Reichel & Ramey, 2018). The independent variables are staff capacity building, and resources while the dependent variable is performance.

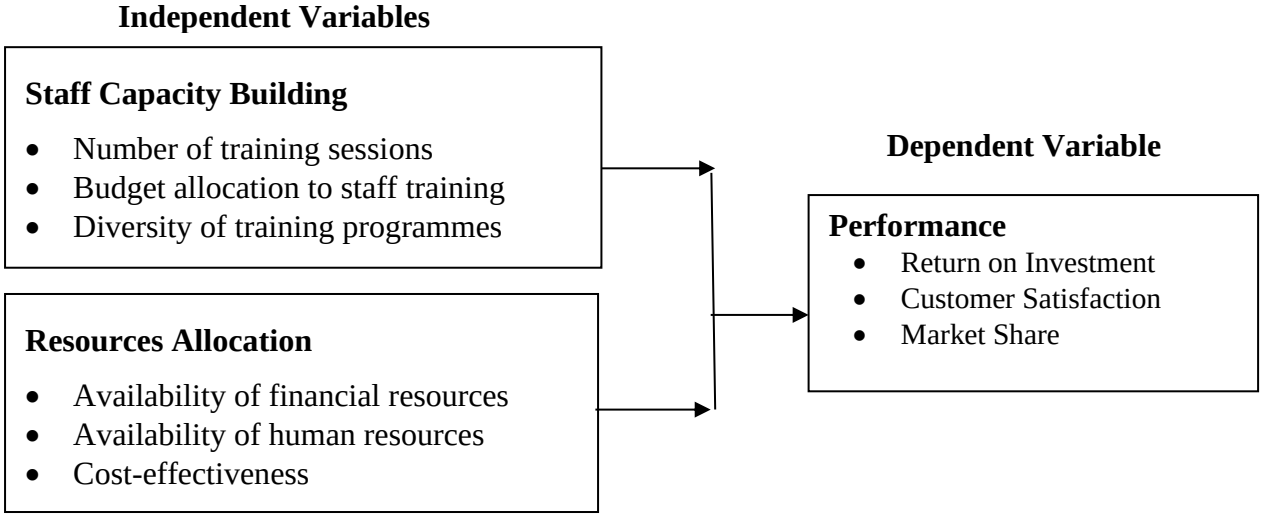

Figure 2.1: Conceptual Framework

Staff Capacity Building

Capacity is defined as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably. Capacity building is an evidence-driven process of strengthening the abilities of individuals, organizations, and systems to perform core functions sustainably, and to continue to improve and develop over time (Fy, 2018). According to Morgan (2019), capacity building is a risky, messy business, with unpredictable and unquantifiable outcomes, uncertain methodologies, contested objectives, many unintended consequences, little credit to its champions and long-time lags. Capacity building activities involves strengthening organisations in the areas of administration, finance, human resources, and facilities. If successful, it contributes to sustainable social and economic development (Fy, 2018).

For the organization, capacity building may relate to almost any aspect of its works, improved corporate governance, leadership mission and strategy, administration (including human resources, financial management and legal matters), program development and implementation, evaluation, advocacy and policy change, marketing, positioning, planning, income generation etc. For the individual, capacity building may relate to leadership development, skills acquisition, technical skills, organizational skills and other areas of personal and professional development (Linnell, 2018).

The goal of capacity building, according to Department For International Development Research (DFID) (2020), is to facilitate individual and organisational learning which builds social capital and trust, develops knowledge, skills and attitudes and when successful, creates an organisational culture and a set of capabilities which enables organisations to set objectives, achieve results, solve problems, and create adaptive procedures which enable them to survive in the long run. Staff capacity building has been identified as part of an organizational strategy to improve overall productivity, motivate staff to deliver high quality services and create an on-going commitment to innovation and system improvement (Ferrero, Setty & Bartram, 2019).

In view of the dynamics in the modern-day business environment, capacity building is one of the key activities that any organisation must engage in if it hopes to survive (Gordon & Chadwick, 2017). A capacity building unit (training) is created in any organisation to coordinate all training activities of the organization. It has the responsibility of determining training and development need by deciding when and what kind of training, for whom, where, under what conditions, at what cost and by whom the training will be implemented (Ferrero, Setty & Bartram, 2019).

All these activities are necessary to enable the organisation to derive the utmost benefits from its capacity building activities (Templeton, 2019). However, many organisations fall short of focusing adequate attention on building adequate capacity among their workforce thereby inhibiting the productivity, efficiency, effectiveness and growth of the organization. The focus of this study therefore was to examine the perception of organisation managers about the relevance and contribution of staff capacity building on performance of multinational pharmaceutical firms in Kenya.

Resources Allocation

David (2019) describes resources that an organization has at its disposal as mandatory in implementing the strategy. Resources include financial, physical, human, and technical capacity. Tregue and Tobia (2021) observed that a strategy is presumed to be realistic if the required resources are available. The allocation of resources is an indicator of management commitment to strategy execution. Allocation of resources entails availing of material and human resources required for the strategy implementation. Pearce and Robinson (2018) regard the annual budget as a major channel for resource allocation.

Thompson and Strickland (2019) align the budget with strategy to imply providing adequate people and funds. Implementing teams must be deeply involved in the budget process with such budgets being flexible enough to consider evolving changes. Taylor (2018) contends that there should be staff development programs to build capacity, reward and incentive systems and performance evaluation program that will motivate and identify capability gaps. In a survey carried on firms by Lusterman (2018) established that training of workers enhances strategy implementation. Resources are tangible or intangible assets semi-permanently linked to the organization (Toni & Tonchia, 2017). Higgins (2005) asserts in his eight S's model that management must ensure that an organization has access to sufficient resources toward successful strategy execution. Resources include people, money, technology, and other management systems.

According to Penrose (2019), the growth of a firm is limited by the administrative framework used to organize the use of productive resources. The value of management or administrative resources is reflected in the quality of administrative decisions, which ultimately influence firm performance (Hansen, Perry, & Reese 2018). Financial resources help firms acquire other resources such as purchasing equipment, paying workers, and advertising (Fry, Stoner & Hattwick, 2018). Ample funding gives agencies administrative and technical capacity to make sure that they achieve statutory objectives (Fernandez & Rainey, 2018). Physical resources include fixed assets (such as land, building, and equipment), raw materials that will be used in creating products, and general supplies used in the operation of the organization (Fry, Stoner, & Hattwick 2018).

Performance of Multinational Pharmaceutical Firms

Organizational performance is the actual productivity of an organization measured against its projected goals and objectives (Upadhaya, Munir, & Blount, 2018). The performance of an organizational is based on the perception that the organization is comprised of valuable resources that include personnel, physical and capital assets that are used to achieve a shared goal. The performance can be measured in terms of productivity and outcome, profit, effectiveness of internal processes and procedures, staff attitudes, productivity and retention and organizational responsiveness to the environment (William, 2020). These diverse constituents result in many different interpretations of 'successful or poor performance' of organizations (Lochner, 2014).

Organizational performance is measured not only limited to economic outcomes governed by financial indicators such as accounting returns, stock market and growth measures, but also non-financial indicators such as customer contentment, personnel satisfaction, efficiency and social performance (Combs, Crook & Shook, 2017). Therefore, organizational performance is the measure of internal performance results normally linked with more efficient or effective processes and other external measures such as corporate social responsibility that relate to considerations that are broader than economic valuation (Richard, Devinney, Yip & Johnson, 2019).

Becher (2017) draws attention to the need for measuring the achievements of implementation in a way that allows for both identifications of emerging issues and areas of further development. The issue of measuring progress in the strategy implementation turns out to be very important. Many researchers deal with the problems associated with methods of performing such measurements by considering both financial and non-financial factors. As indicated, the second type of metrics is more closely associated with strategic initiatives, although it also allows for focusing on elements which are more difficult to measure. On the other hand, the use of measurable tools, such as Balanced Scorecard, eliminates some of the communication problems and improves the strategy implementation process (Frigo, 2019).

Empirical Literature Review

Staff Capacity Building and Performance

Ojokuku and Adejare, (2018) assessed the effect of capacity building and manpower development activities on the staff performance in selected business organisations in Nigeria. Data was gathered from 128 managers of randomly selected firms in Southwestern Nigeria, with the aid of a questionnaire, while descriptive and inferential statistical tools were applied for data analysis. Findings revealed a significant positive relationship between capacity building and staff performance in the selected organisations. It was concluded that capacity building and manpower development activities result in new knowledge, skills and management capabilities, and should therefore be the focus of greater attention and efforts by organisations.

DeCorby-Watson, Mensah, Bergeron, et al. (2018) studied effectiveness of capacity building interventions relevant to public health practice: a systematic review. Four strategies were used: 1) electronic database searching; 2) reference lists of included papers; 3) key informant consultation; and 4) grey literature searching. Inclusion (e.g., published in English) and exclusion criteria (e.g., non-English language papers published earlier than 2005) are outlined with included papers focusing on capacity building, learning plans, or professional development plans within public health and related settings, such as non-governmental organizations, government, or community-based organizations relating to public health or healthcare. Outcomes of interest included changes in knowledge, skill or confidence (self-efficacy), changes in practice (application or intent), and perceived support or supportive environments, with outcomes reported at the individual, organizational or systems level(s). Quality assessment of all included papers was completed. Fourteen papers were included in this review. These papers reported on six intervention types: 1) internet-based instruction, 2) training and workshops, 3) technical assistance, 4) education using self-directed learning, 5) communities of practice, and 6) multi-strategy interventions. The available literature showed improvements in one or more capacity-building outcomes of interest, mainly in terms of individual-level outcomes. The available literature was moderate in quality and showed a range of methodological issues.

Doshmangir, Mostafavi, Behzadifar, et al. (2022) studied individual and institutional capacity-building for evidence-informed health policymaking in Iran: a mix of local and global evidence. The study was conducted in two main phases: a systematic review and a qualitative study. First, to conduct the systematic review, the PubMed and Scopus databases were searched. Quality appraisal was done using the Joanna Briggs Institute checklists. Second, semi-structured interviews and document review were used to collect local data. Purposive sampling was used and continued until data saturation. A qualitative content analysis approach was used for data analysis. From a total of 11,514 retrieved articles, 18 papers were eligible for the analysis. Based on the local collected evidence, the main interventions for individual and institutional capacity-building were educational and training programmes or courses related to the health system, policymaking and policy analysis, and research cycle management.

Resources Allocation and Performance

Inmyxai and Takahashi (2019) studied the effect of firm resources on business performance of male-and female-headed firms in the case of Lao Micro-, Small-, and Medium-Sized Enterprises (MSMEs). This paper applied the concept of RBV to different gender-headed firms in an effort to examine whether male-headed firms out-perform female-headed firms in Lao MSMEs. Moreover, it investigated the effects of firm resources (human, intangible, and tangible resources) on the performance of both gender-headed firms. The sample consisted of 840 observations. The ordered probity models were used to test the performance of male-and female-headed firms for the Lao MSMEs. The empirical results showed some differences and similarities that are consistent with previous literature about Lao MSMEs.

Mbeche, Wainaina and Njihia (2017) studied the influence of organisational resources on performance of ISO Certified organisations in Kenya. The theoretical basis for this study was Total Quality Management (TQM) theory. A cross-sectional research survey design was adopted. Primary data was collected from a sample of 282 ISO certified organisations by use of a questionnaire, and secondary data was obtained from financial statements of 27 ISO certified organizations sampled. Descriptive statistics was used to analyze proportions of the variables and multiple regression model was used to estimate the effect of organisational resources on the performance of ISO certified organizations. The findings show that abundant organisational resources improve performance. The study, therefore, recommends that the management of ISO certified organisations should employ limited organisation resources available efficiently and train their staff in managerial skills in order to improve performance of their organizations.

The study by Soo-Young and Andrew (2019) assessed the effects of organizational resources on public agency performance: evidence from the US federal government. The study examined the differential impacts of an array of organizational resources (administrative, human, financial, physical, political, and reputation resources) on a core measure of federal agency effectiveness. From analysis It was found that certain types of resources have positive impacts on agency effectiveness, such as administrative (number of members in top governing structure), personnel (the level of professionalization of its employees), financial (spending authority from offsetting collections), and political (presidential attention and the agency's public reputation), although certain other resources have negative impacts. The study further showed that strategic knowledge about resources can enhance understanding of agency performance.

RESEARCH METHODOLOGY

The study adopted a cross-sectional survey research design. The population for the study was select pharmaceutical MNCs with a presence in Kenya that are full members of Kenya association of Pharmaceutical Industry (KAPI). For this study, the researcher worked with 55 management employees drawn from the 11 MNCs i.e., Country managers, Sales Managers, Brand managers, Key account managers and finance managers, 5 from each organization. The census method was chosen because the target population is small, there are diverse items to be covered and because there is need for a high degree of reliability and accuracy (Dubey & Kothari, 2022). The researcher used Questionnaires together with content analysis technique to retrieve data from market research organizations such as IQVIA. SPSS software version 28 was used. The analyzed data was presented in the form of frequency distribution tables, pie charts and bar graphs where appropriate. Pearson R correlation was used to measure strength and the direction of linear relationship between variables.

DATA ANALYSIS, RESULTS AND DISCUSSION

The study targeted a sample size of 55 respondents from which 45 filled in and returned the questionnaires making a response rate of 81.8%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

Staff Capacity Building

Participants were asked to indicate their level of agreement with the following statements assessing the effect of staff capacity building on performance of multinational pharmaceutical firms in Kenya. It was established that the frequency of training sessions is sufficient to keep their knowledge up to date (M= 4.20 SD =0.59). Qualitative results revealed that multinational pharmaceutical firms encouraged a culture where employees continuously learn to improve their skill sets and grow in their careers.

The study then revealed that there is a sufficient diversity of training programmes available to meet the needs of employees of different cadres (M=4.16 SD=0.74) and that the current number of training sessions is effective in helping them achieve their professional development goals (M= 4.16 SD=0.64). Descriptive results show that companies often avail various training opportunities to their employees to develop and improve their skills. These organizations also seek to gather feedback on how effectively these diverse trainings are delivered and how impactful they are to their career progression and in execution of their responsibilities in meeting set KPIs. These research deductions go hand in hand with study inferences by Ojokuku and Adejare, (2018) that providing trainings and opportunities for employees to sharpen their skill set can be an integral part of communicating a company's overall goals to supporting employees' development.

Majority of the respondents agreed that the budget allocated to staff training in their firm is sufficient to meet our professional development needs (M=4.13 SD =0.55) and the number of training sessions provided by my firm is adequate for developing necessary skills (M=4.07 SD=0.65). Descriptive results showed that most of the organisations encourage employees to attend conferences and events to stay updated on industry trends. These findings are coherent with research deductions by Fy, (2018) that resource allocation to staff training and exposure to activities that improve their productivity such as investing in professional development to enhance employees' skills, offer workshops and training sessions can improve the organization's output and retain more productive and motivated staff for long.

Further the study revealed that the organizations offer a variety of training programmes that address both technical and soft skills (M= 3.98 SD = 0.75) and that the budget for staff training is well-distributed across all departments and levels within the organization (M=3.91 SD = 0.90). Descriptive results showed that some pharmaceutical firms implement rotational programs that expose employees to different functions within the company. This helps employees gain a broader understanding of the industry and develop a diverse skill set. These findings go hand in hand with research conclusions by Setty and Bartram, (2019) that investing in employee career development is not only beneficial for individuals but also crucial for the long-term success and sustainability of multinational pharmaceutical firms.

Statistical evidence revealed that organization's investment in staff training is adequate compared to industry standards (M =1.80 SD = 0.66). Qualitative results showed that multinational pharmaceutical firms put a lot of emphasis on employee knowledge, skills development and employee motivation to enhance employee performance. The results also revealed that staff capacity building equipped the employees with the right set of skills to excel in their respective fields. The staff capacity development enabled firms have a competitive edge which in turn enhanced overall organization performance. These results are in support of research inferences by Mayer & Solomon, (2006) that Organizations that do not provide financial support or time off for employees pursuing further education or certifications may discourage individuals from seeking additional qualifications.

Table 1: Effect of Staff Capacity Building on Firm's Performance

Statements.	N	Min	Max	Mean	Std Dev
The number of training sessions provided by my firm is adequate for developing necessary skills	45	3.00	5.00	4.07	0.65
The frequency of training sessions is sufficient to keep my knowledge up to date	45	3.00	5.00	4.20	0.59
The current number of training sessions is effective in helping me achieve my professional development goals	45	3.00	5.00	4.16	0.64
The budget allocated to staff training in my firm is sufficient to meet our professional development needs	45	3.00	5.00	4.13	0.55
My organization's investment in staff training is adequate compared to industry standards	45	1.00	3.00	1.80	0.66
The budget for staff training is well-distributed across all departments and levels within the organization	45	2.00	5.00	3.91	0.90
My organization offers a variety of training programmes that address both technical and soft skills	45	3.00	5.00	3.98	0.75
There is a sufficient diversity of training programmes available to meet the needs of employees of different cadres	45	3.00	5.00	4.16	0.74

Source: Research Data (2024)

Resources Allocation

Study participants were asked to indicate their level of agreement with statements that sought to assess the effect of resources allocation on performance of multinational pharmaceutical firms in Kenya. Results show that majority of the respondents agreed that financial resources needed for critical tasks in the organization are provided in time (M=4.09 SD=0.56). Descriptive results show that when resources are strategically deployed, organizations can optimize their operations, enhance productivity, and align their efforts with overarching goals. These findings are coherent with research deductions by Resource-Based View (RBV) that organizations ought to ensure that resource allocation aligns with the organization's strategic goals and initiatives in those resources should be directed towards activities that directly contribute to the achievement of these objectives.

The organization regularly reviews its processes to improve cost-effectiveness (M = 4.00 SD = 0.67). Qualitative results revealed that there is clarity in identifying and prioritizing core activities and strategic objectives. This enables the organization to focus its resources on the most critical areas for business success. These findings go hand in hand with research conclusions by

Results established that that organizations effectively recruits and retains the human resources necessary to achieve its goals (M=3.89 SD=0.68) Descriptive results show that optimization of resource utilization by multinational pharmaceutical firms in Kenya reflects a commitment to operational excellence, innovation, and the delivery of high-quality pharmaceutical products to the market. It contributes to the firms' ability to navigate challenges and maintain a competitive edge in the dynamic pharmaceutical industry. These findings go hand in hand with research conclusions by

Further the study revealed that organization ensures that sufficient financial resources are available to support organization key operations (M=3.84 SD=0.71). Qualitative results

revealed that the multination pharmaceutical firms exhibited flexibility and adaptability in resource allocation, allowing for adjustments based on changing business conditions, market dynamics, or strategic shifts. These results are in support of research inferences by Penrose (2019) the optimization of resources should be directed towards meeting the needs and expectations of customers, ensuring that products are developed, manufactured, and delivered efficiently.

Statistics showed that organization ensures that sufficient financial resources are available to support organization key operations (M=3.84 SD=0.64). The organization optimizes its resources to deliver the best possible value for money (M=3.78SD=0.77). Descriptive results show that multinational pharmaceutical firms typically have access to financial resources through their parent companies. This financial capacity enables them to fund market research, marketing, recruit crème personnel and other essential activities. These results are in support of research inferences by Toni and Tonchia (2017) that their resource mobilization capability positions these firms to undertake critical activities that make them perform better in a competitive and dynamic industry.

Table 2: Resources Allocation and performance of pharmaceutical firms

Statements.	N	Min	Max	Mean	Std Dev
My organization ensures that sufficient financial resources are available to support organization key operations	45	3.00	5.00	3.84	0.64
The financial resources needed for critical tasks in the organization are provided in time	45	3.00	5.00	4.09	0.56
My organization has a sufficient number of qualified employees to meet its operational needs	45	2.00	5.00	3.84	0.71
My organization effectively recruits and retains the human resources necessary to achieve its goals	45	3.00	5.00	3.89	0.68
My organization regularly reviews its processes to improve cost-effectiveness	45	3.00	5.00	4.00	0.67
My organization optimizes its resources to deliver the best possible value for money	45	2.00	5.00	3.78	0.77

Source: Research Data (2024)

Performance of Multinational Pharmaceutical Firms

Participants were asked to indicate their level of agreement with the following statements on performance of multinational pharmaceutical firms in Kenya. Results found that employees working for multination pharmaceutical firms in Kenya were satisfied with their organization's efforts to build and maintain customer loyalty to continue increasing its market share (M=4.07 SD=0.58), most of the multinational pharmaceutical firms in Kenya had the requisite market share proportionate to its investments (M=4.04 SD=0.74) and that employees were satisfied with the organization's efforts to achieve returns on the investments it deploys(M=3.91 SD=0.73), These findings are coherent with research deductions by Rehman, Mohamed & Ayoup, (2019) that a motivated and skilled workforce can contribute to better performance outcomes.

It was established that majority of the employees for multinational pharmaceutical firms felt that their organization consistently meets and exceeds customer expectations to foster loyalty (M= 3.78 SD=0.58). They were also satisfied with organization's efforts to support and enhance employee productivity (M=3.76 SD=0.80). Statistics show that most of the multinational pharmaceutical firms in Kenya had the ability to adapt and implement strategies to improve customer loyalty and satisfaction (M=3.73 SD=0.78). These results are in support of research inferences by Bourguignon & Chiapello, 2015) that organizations need to balance the interests of their internal and external stakeholders to achieve sustainable performance.

Table 3: Performance of Multinational Pharmaceutical Firms in Kenya

Statements	N	Min	Max	Mean	Std Dev
I am satisfied with my organization's efforts to achieve returns on the investments it deploys	45	3.00	5.00	3.91	0.73
My organization has the requisite market share proportionate to its investments	45	2.00	5.00	4.04	0.74
I am satisfied with my organization's efforts to build and maintain customer loyalty to continue increasing its market share	45	2.00	5.00	4.07	0.58
I feel that my organization consistently meets and exceeds customer expectations to foster loyalty	45	2.00	5.00	3.78	0.82
My organization has the ability to adapt and implement strategies to improve customer loyalty and satisfaction	45	2.00	5.00	3.73	0.78
I am satisfied with my organization's efforts to support and enhance employee productivity	45	2.00	5.00	3.76	0.80

Source: Research Data (2024)

Table 4: Performance of Multinational Pharmaceutical Firms in Kenya

Year	Value in USD	Market Share
2021	69,739,491	0.1050
2022	62,524,177	0.0941
2023	50,109,426	0.0754

Source: Research Data (2024)

Statistical assessment revealed that in the year 2021 the value of the 11 multinational pharmaceutical firms was USD 69,739,491 while in the year 2022 it was USD 62,524,177 and in the year 2023 it was USD 50,109,426. This is an indication that there have been fluctuations in the value of the firms across the years. In regard to market share, in the year 2021 it was 0.1050, in the year 2022 it was 0.0941 and in the year 2023 it was 0.0754.

Correlation Analysis

In order to confirm the relationship between study variables and financial performance of MNCs, the study used Pearson moment correlation to determine the relationship. From Table below, results show a positive correlation between staff capacity building and performance of multinational pharmaceutical firms in Kenya was established by a correlation factor of 0.237. This positive relationship was found to be statistically significant as the p value was 0.017 which was less than 0.05. The findings go hand in hand with the conclusion made by Ojokuku and Adejare, (2018) that capacity building helps individuals and organizations perform tasks more efficiently, leading to higher output and effectiveness.

The study found a positive correlation between resource allocation and performance of multinational pharmaceutical firms in Kenya as shown by correlation coefficient of 0.503. The significant value was 0.000 which is less than 0.05. Similar projection was made by Inmyxai and Takahashi (2019) that effective distribution and utilization of resources play a pivotal role in the success of pharmaceutical companies, influencing various aspects of their operations

Table 4: Correlations results

		Performance Of Multinational Pharmaceutical Firms	Staff Capacity Building	Resource Allocation
Performance of Multinational Pharmaceutical Firms	Pearson Correlation	1		
	Sig. (2-Tailed)			
	N	45		
Staff Capacity Building	Pearson Correlation	.237	1	
	Sig. (2-Tailed)	.017		
	N	45	45	
Resource Allocation	Pearson Correlation	.503**	-.133	1
	Sig. (2-Tailed)	.000	.384	
	N	45	45	45

Source: Research Data (2024)

Regression Test

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 28.0) to code, enter and compute the measurements of the multiple regressions. The study used the coefficient table to determine the study model. As per the SPSS generated output as presented in table below, the equation ($Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2$) becomes:

$Y= 2.189 + 0.391+ 0.630$

From the regression model obtained a unit change in capacity building while holding other factors constant would enhance performance of multinational pharmaceutical firms by a factor of 0.391. These findings concur with the conclusion made by Chado, (2017) capacity building demonstrates the organization's commitment to the professional growth of its employees. This investment in employee development can contribute to higher engagement, job satisfaction, and retention.

Finally test regression show that a unit change in resource allocation while holding the other factors constant would enhance performance of multinational pharmaceutical firms by a factor of 0.630. Similar projection was made by Mbeche, Wainaina and Njihia (2017) that Resource allocation is a critical aspect of organizational management that has a direct impact on efficiency, effectiveness, and overall success of the firms.

Table 5: Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.189	.356		6.142	.000
Capacity building X1	.391	.134	.353	2.928	.006
Resource allocation X2	.630	.184	.409	3.431	.001

Source: Research Data (2024)

Conclusion

The findings of this study emphasize the integral role of staff capacity building in enhancing the performance of multinational pharmaceutical firms in Kenya. The positive correlation with employee engagement, effective communication, and individual career development

underscores the multifaceted impact of investing in staff capacity building. Addressing the identified dissatisfaction areas and leveraging the positive aspects unveiled by the study can contribute to the overall success and sustainability of multinational pharmaceutical operations in the Kenyan context.

The study concludes that resources allocation has a positive significant impact on performance of multinational pharmaceutical firms in Kenya. Effective resource allocation enables pharmaceutical firms to optimize operational processes, strengthen market research, retain and attract top talents and maintain compliance with industry regulations. This conclusion highlights the importance of aligning resource allocation strategies with organizational goals to enhance productivity, innovation, and long-term sustainability within the dynamic and competitive pharmaceutical sector in Kenya.

Recommendations

Multinational pharmaceutical firms in Kenya should continually promote staff capacity development. This ensures that employees continually acquire and hone their skills, fostering a workforce with enhanced expertise. This is particularly crucial in the pharmaceutical industry, where staying abreast of advancements in science, technology, and regulatory standards is imperative for success.

It's paramount to ensure Proper resource allocation as this will allow optimization of operations, by ensuring that financial, human, and technological resources are directed toward areas that yield the greatest impact on performance. Strategic resource allocation contributes to the long-term sustainability. By investing in key areas such as research, talent development, and technological infrastructure, organizations can position themselves for continued success and growth in a competitive market

Areas for Further Research

The focus of the current study centred on Higgins model dimensions and performance of multinational pharmaceutical firms in Kenya. The focus on pharmaceutical industry poses a contextual knowledge gap and future studies can focus on other industries to compare the findings. Conceptually, other researchers can focus on the other dimensions of the Higgins model and establish how they affect the overall performance of organizations since the current study focused on only 4 of them.

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