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Selected Pharmaceutical Manufacturing Firms in  
Nairobi City County, Kenya**

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# Employee Empowerment on Performance of Selected Pharmaceutical Manufacturing Firms in Nairobi City County, Kenya

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## Abstract

This study aimed at investigating the effect of employee empowerment on performance of selected pharmaceutical manufacturing firms in Nairobi City County, Kenya. The specific objective of the study was to determine the effects of employee empowerment on performance of selected pharmaceutical manufacturing firms in Kenya. This study was anchored on Kurt Lewin theory. Cross-sectional research design was adopted. The total population comprised of 281 respondents who were selected from the procurement departments of the 27 pharmaceutical manufacturing firms in Nairobi City County. Simple random and stratified sampling technique were adopted to select respondents of the study from each firm. Respondents were stratified into four strata which comprised of procurement directors, managers, supervisors and officers. The ideal sample size of 165 respondents was calculated using Israel formula. Primary data was collected using questionnaires. R-square and F-tests were tested to establish the relationship between variables. The analyzed data was presented in form of tables and figures. The results revealed that there existed a significant positive relationship between organizational agility practices and performance of selected pharmaceutical manufacturing firms. Employee empowerment was positively and statistically

significant ( $r= 0.601$ ,  $p<0.05$ ). The study concluded that despite employee empowerment had a significant impact on firm performance, to some extent training, motivating, delegating and providing conducive working environment among workers were practices that were embraced on a small extent. The study recommended that for pharmaceutical manufacturing firms to perform effectively, they should embrace much on training, recognition, delegation and motivating of the workers.

**Keywords:** *Employee Empowerment, Firm Performance, pharmaceutical manufacturing firms, Nairobi City County.*

## 1.1 Introduction

Environmental turbulence, change of technology, consumer demands and influence of globalization stimulates the firms on rethinking on agile practices that can give them a competitive edge in order to improve performance (Ade, Namusonge & Sakwa, 2019). Like any other large organization, firms from one context to another are striving to survive by embracing agile practices such as change management strategic leadership, product innovation and employee empowerment (Alhadid, 2016). Organizational agility practices adopted by firms are viewed to be a function of organizational performance if effectively embraced. Even though performance indicators can vary from one organization to another, it is commonly viewed that most of the organizations can measure performance using financial and non-financial indicators (Nafei & Wageeh, 2016). Financial indicators suggested by Kaplan and Norton (2010) include: profits, return on investments and return on equity while non-financial indicators are: customer satisfaction, employee satisfaction, product innovation and ability of the organization to adapt to changes.

Increased competition in the pharmaceutical manufacturing sector in Kenya has made management of pharmaceutical companies rethink on relocating or winding up thus the need to embark on embracing organizational agility practices in order to thrive in the unpredictable business environment (KAM, 2017). Organizational rigidity to align and realign with changing business trends has negatively contributed to organizational productivity in terms declined profits, volume of sales and inconsistencies in customer service delivery (Okotoh, 2015). Similarly, inability of the organizations to motivate workers indirectly has resulted to declined organizational productivity in terms of revenues generated, inability to innovate, inability to improve quality of customer services and inability to learn. Salojarvi, Ritala, Sainio and Saarenketo (2015) contend that organizational agility is conceptualized to be a function of performance if effectively embraced by firms in different contexts.

Globally, Saeed et al. (2013) in Australia opined that for organizations to survive in the dynamic business environment, rethinking on how to reposition their products, reinvest in employee knowledge and integrate technology in the system are key drivers towards organizational growth (Alhadid & Abu, 2015). Organizations which innovate their production systems and re-engineer their processes not only attract and retain customers but also promote sustainable competitive advantage. Similarly, Nafei and Wageeh. (2016) in Italy established that for any organization to thrive in the unpredictable business environment, embracing agile practices such as technology, information sharing and strategic partnerships are functions of organizational performance. Regionally, Appelbaum et al. (2017) in Egypt attested that even though organizations experience internal and external pressure to change in order to maximize productivity, visionary leadership is viewed as one of the key drivers of organizational agility. Despite the fact that organizations experience employee resistance

when introducing new policies and regulations, strategic leaders should intervene and do things right to facilitate effective change implementation. Involving employees in key decisions and appreciating team efforts not only promote synergy among workers but also creativity and innovation among workers. Alhadid (2016) in South Africa ascertained that for any organization to be competitive, equipping employees with appropriate skills and knowledge is not an option but a mandatory approach that promote organizational rejuvenation in terms of profits and customer satisfaction.

Locally, Kabagambe, Ogutu and Munyoki (2012) in Rwanda asserted that automation of systems and processes has not only contributed to improved organizational productivity but also helped firms to minimize costs of operation in key functions such as marketing, procurement, accounting, logistics and production. Firms that embrace appropriate technologies have significantly reduced their costs of operation drastically thus maximization of profits. By extension, Agboola, (2011) in Uganda acknowledges that adoption of technologies such as accounting, marketing and procurement information systems can have a significant positive effect on organizational performance in terms of profits and customer and employee satisfaction if effectively embraced. Furthermore, Okotoh (2015) in Kenya reported that organizational agility is attributed to organizational performance despite internal and external challenges experienced when introducing new changes. As organizations seek to maximize profits, rethinking on agility practices such as technology, product innovation, employee knowledge, strategic management and business process re-engineering are key determinants of organizational performance. The motivation behind this study is based on the premise that Vision 2030 initiatives are likely to be achieved through effective performance of pharmaceutical manufacturing firms in Kenya thus economic stability and sustainable social-economic development. Organizational agility practices which are conceptualized to influence performance of pharmaceutical manufacturing firms are: change implementation, employee empowerment and technological initiatives.

Alhadid and Abu (2015) described employee empowerment as a process of equipping employees with appropriate knowledge and skills in order to perform their duties with due diligence. Indicators devised to measure this variable in this study include: training delegation and information sharing. Daft (2010) defined organizational performance as the ability of an organization to utilize its resources to achieve its goals in a more effective and efficient way. Performance can be defined as the way the organization carries its objectives into effect (Kaplan & Norton, 2010). In order to measure organizational performance, it can be seen from two perspectives, either financial or non-financial performance. Dimensions of financial performance can range from profitability, market value and also growth of organization while customer satisfaction, employee satisfaction, innovation, quality and reputation are some of the indicators of non-financial performance.

Kenya National Bureau of Statistics (2012) argue that the pharmaceutical industry in Kenya consists of three sectors namely the manufacturers, distributors and retailers and all these play a major role in supporting the country's health sector. Kenya is currently the largest producer of pharmaceutical products in the Common Market for Eastern and Southern Africa (COMESA) region, supplying about 50% of the regions' market. There are more than 35 licensed pharmaceutical manufacturers in Kenya which include local manufacturing companies and large multinational corporations, subsidiaries or joint ventures. Among the local manufacturing companies in Kenya include: Cosmos limited, Dawa limited and Universal pharmaceuticals. Most of these companies are located within Nairobi and its environs. These companies repackage formulated drugs and process bulk drugs into doses using imported active ingredients (Kenya Association of Manufacturers, 2017).

There are over 14,000 registered pharmaceutical products in Kenya. The government, through Kenya Medical Supplies Agency (KEMSA) is the largest purchaser of drugs manufactured both locally and imported. It buys about 30% of the drugs in the Kenyan market through an open-tender system and distributes them to government medical institutions. The pharmaceutical products are channelled through pharmacies, health facilities and shops. There are about 297 registered wholesale and 3859 retail dealers in Kenya, manned by registered pharmacists and pharmaceutical technologists (GoK, 2017). Kabagambe, Ogutu and Munyoki (2012) argued that the generic pharmaceutical market in Kenya is expected to grow more rapidly than the market for branded pharmaceuticals and this is expected to be driven largely by increased government purchases of generics and the price-sensitive nature of the overall market. Despite the fact that pharmaceutical manufacturing firm in Kenya are striving to performance, it is observed that they are hindered by numerous challenges such as competition, change of technology, change or regulation and influence of globalization thus the need to rethink on organizational agility policies in order to be competitive (KNBS, 2012).

## **1.2 Research Problem**

Despite the fact that the manufacturing sector is viewed to contribute to economic stability of developed and developing countries, it is noted that pharmaceutical manufacturing firms in Kenya are experiencing numerous challenges such as stiff competition, change of technology, change of consumer demands and influence of globalization (Arif, 2018). Majority (53%) of the pharmaceutical manufacturing firms in Kenya are rethinking on relocating, downsizing and winding up due to environmental dynamisms. Even though extensive studies have been conducted by Nafei and Wageeh (2016) on the relationship between employee empowerment and firm performance, it is noted that little attention has been paid in the pharmaceutical manufacturing sector. Ade, Namusonge and Sakwa (2019) studied effect of risk management agility on performance of savings and credit co-operatives in Kenya. The study adopted explanatory cross-sectional design and stratified random sampling technique to select 204 respondents. Data was collected using questionnaires. Descriptive and inferential statistics such as correlation and regression was used to analyse data. The findings indicated that there exists a strong positive significant relationship between risk management agility on performance of savings and credit co-operatives in Kenya. However, it is noted that the study did not examine the effect of employee empowerment on performance of selected pharmaceutical manufacturing firms in Kenya. Furthermore, this study will adopt cross-sectional research design and multiple regression method to analyse data.

Okotoh (2015) studied the effect of organizational agility on operational performance of Trademark East Africa. The study adopted a single case research design and purposive sampling technique to select 93 respondents. Data was collected using questionnaires and observation checklist forms. Data was analysed using descriptive and regression methods. Findings revealed that there exists a difference between information technology, HR resources and strategic alliances and operational performance of Trademark East Africa. The research gaps of the study will be addressed by this study seeking to focus on selected pharmaceutical manufacturing firms rather than a single firm. Alhadid (2016) studied the effect of organization agility on organization performance among firms in Jordan. The study adopted correlational research design and stratified sampling technique to select 73 respondents. Data was analysed using descriptive and methods. Findings revealed that there exists a difference between HR agility, technology agility, innovation agility and performance of firms. In contrast, this study will be confined into Kenyan pharmaceutical

manufacturing sector in examining the effect of employee empowerment on performance pharmaceutical manufacturing firms.

Appelbaum et al. (2017) studied the challenges of organizational agility in industrial and training commercial organizations in Turkey. Descriptive research design and convenient sampling technique was adopted to select 113 respondents who comprised of students. Data was collected using questionnaires and interview guides. Data was analysed descriptively and findings revealed that employee resistance was one of the key hindrances of effective change implementation. Further, it was pointed that structural inertial and poor leadership were also other factors which contributed to the inability of the organization to adapt to changing business trends. The knowledge gaps of this study will be acknowledge by this study seeking to investigate the relationship between employee empowerment such as change management, employee empowerment and technological initiatives on performance of selected pharmaceutical manufacturing firms in Nairobi City County, Kenya. Further, it was noted that the study was confined into Turkey which is considered to be a different geographical and cultural environment. From the findings of the studies conducted by Ade et al. (2019), Appelbaum et al. (2017) Nafei and Wageeh (2016), Alhadid (2016), Okotoh (2015), it was noted that the studies examined variables of this study partially and in isolation. Each study was confined to different context and research methodologies were different in terms of research designs, sampling technique and data analysis technique thus the need for this study to investigate the effect of employee empowerment on performance of selected pharmaceutical manufacturing firms in Nairobi City County, Kenya.

### **1.3 Research Objective**

The research objective of this study was to assess the effect of employee empowerment on performance of selected pharmaceutical manufacturing firms in Nairobi City County.

## **2.0 Literature Review**

### **2.1 Theoretical Review**

This study was anchored on dynamic-capabilities theory which was established by Teece et al. (1997). The theory argues that organizations are viewed as organizations that keep on changing in order to survive in the changing business environment. For any organizations to survive in the turbulent business environment, transformational leadership is mandatory (Scott, 2014). Transactional leadership which is considered to be mechanical in nature and does not promote employee empowerment cannot result to organization productivity as compared to transformational leadership where leaders seek to align and realign organizational policies to the changing business trends. The theory demonstrates that firms can use dynamic capabilities such as technology and knowledge to outsmart their competitors in the market (Van der Voet, 2014). The theory opines that organizations that can navigate in a business environment which is highly competitive should integrate, build, and reconfigure the internal and external competencies to match with that of the changes in the business context. Rothermel and Lamarsh (2012) attest that organizations can develop new capabilities that will enable them survive in the changing business environment. Investment in new technologies and developing employee competencies through knowledge and information sharing not only promote improved organizational productivity but also sustainable competitive advantage. The theory depicts that for suitable organizational performance, leaders should identify unique capabilities that will enable them achieve short-term and long-term goals (Johnson, 2015). The theory was applicable in this study as it shed more light on

how management of pharmaceutical manufacturing firms in Kenya can empower workers in order to stimulate enterprise performance.

## **2.2 Empirical Review**

### **2.2.1 Employee Empowerment and Organizational Performance**

KIPPRA (2013) revealed that there exists a positive significant relationship between employee training and service delivery in public organizations in Kenya which is an element of organization performance. The study adopted a descriptive research design and convenient sampling technique to select 312 respondents who comprised of middle level managers of State Corporations. Data was collected using questionnaires and observation forms. Data was analysed using descriptive statistics and the study concluded that unless organizations embrace the culture of developing employee skills, achieving organizational excellence in form of profits or service quality will be an uphill task. In contrast, this research gaps of the study were addressed by this study seeking to establish the relationship between change management, employee empowerment and technological initiatives on performance of pharmaceutical manufacturing firms in Kenya. Kwamboka (2013) found out that employee skills, knowledge and abilities had a positive significant effect on performance of State owned institutions in Kenya. The study adopted descriptive research design and quota sampling technique to select 115 respondents. Data was collected using questionnaires and interview guides. Data was analysed using multiple regression. The study concluded that organizations that are unable to develop employee talents are more likely to experience high losses and stagnation in developing new products and services.

Further, the study noted that despite the fact that some organizations considered employee training as a cost, to a larger extent it was the only alternative of enhancing organizational agility. In contrast, the research gaps of the study were acknowledged by this study seeking to examine the influence of employee empowerment, technological initiatives and change management on performance rather than examining technology as a single variable on performance of pharmaceutical manufacturing firms in Kenya. Rajala, Ruokonen and Ruismäki (2012) found out that employee competencies are directly correlated with service delivery in public universities in Australia. The study adopted correlational research design and stratified sampling technique to select 119 respondents who comprised of middle level employees. Data was collected using questionnaires and data was analysed using factor analysis method. The study concluded that organizational performance was a function of employee training though performance results can vary from one organization to another based on the knowledge level of workers.

It was also noted by the study that creativity and innovation in the organization was not only promoted by training only but also motivation of workers using both financial and non-financial incentives. However, it was noted that study sought to examine the effect of culture on organizational change in public universities which are viewed in this study to be elements of change management and performance. Furthermore, the study was confined to Australian universities which are viewed to be a different geographical and cultural environment. Tarus, Gichoya and Muumbo (2015) found out that inadequate training and awareness were key challenges to effective implementation change in Kenyan universities. However, the study focused challenges of e-learning but did not examine the link between variables of this study. The study adopted exploratory research design and simple random sampling technique to select 210 respondents. The respondents of the study were drawn from teaching and non-teaching staff. Data was collected using questionnaires and observation checklist forms. Data was analysed using multiple regression and the study concluded that inadequate training

among workers was one of the factors that contributed to change resistance and lack of innovation in public and private organizations. In contrast, it is observed that the study examined challenging of implementing e-learning in Kenya public universities but did not examine the effect of employee empowerment on performance of pharmaceutical manufacturing firms in Kenya

Rothermel and LaMarsh (2012) revealed that effective change implementation in manufacturing firms in Italy was dependent of employee empowerment. The study adopted cross-sectional research design and purposive sampling technique to select 315 respondents. Data was collected using questionnaires and data analysis was done using structural equation modelling. The findings of the study indicated that changing organizations culture in any non-performing organizations, transforming the mind-set of the employees was considered to be the key factor. Recruitment of employees with a mix of knowledge, experience and skills not only contributed to improved organizational performance but sustainable change implementation. It is noted that the study was confined to Italy which is considered to be a different geographical and cultural environment. Further, the study was confined to private manufacturing firms but not pharmaceutical manufacturing sector in Kenya.

Šukle and Stojan (2012) suggested that maximizing the effectiveness of training and development, organizations must constantly assess their employees' current training and development needs and identify training and development needs to prepare employees for their next position. This requires that organizations recognize that different employees will have different needs and that these needs will change over time as these workers continue in their careers. Top management plays an ever increasing role to ensure that a knowledge-friendly culture is built in the organization. However, the study was confined to firms in Israel but not to pharmaceutical manufacturing firms in Kenya. Kemboi (2016) suggested that the goal of employee training is to enhance organizational effectiveness. It also demands an influence on employee's performance, as well as in relation to organizational performance which is mediated by means of employee's performance. Training is a driver organizational development and competitiveness. In this competitive world, training is the key strategy to achieve the organizational objectives. Training benefits employees' performance and organizational effectiveness. Attractive employee's performance is highly demanding in this competitive world for achieving the organizational performance. It is noted that the study examined variables of the current study in isolation but did not examine them in a combined manner.

### **3.1 Methodology**

This study adopted cross-sectional research design. The target population of the study composed of 281 respondents of pharmaceutical manufacturing firms in Nairobi City County. The source of the list of employees in the procurement department of the 27 pharmaceutical manufacturing firms in Nairobi City County was obtained from existing human resource records of respective firms. Respondents of the study were selected using random sampling technique. Further stratified sampling technique was used to classify respondents into four groups or strata which included: procurement directors, managers, supervisors and officers. The sample size (n) was 165 respondents from 27 selected pharmaceutical manufacturing firms in Kenya. The Statistical Package for Social Sciences (SPSS) was used to analyze the data quantitatively.



## 4.0 Research Results

### 4.1 Descriptive Statistics of Employee Empowerment

The research sought to ascertain from respondents the extent to which employee empowerment influenced performance of selected pharmaceutical manufacturing firms in Nairobi City County and the findings are summarized in Table 1

**Table 1: Employee Empowerment**

| Statement   | N   | Mean Score  | SD           | CV%          |
|---|-----|-------------|--------------|--------------|
| I perform delegated duties with due diligence                                 | 144 | 4.19        | .546         | 78.1         |
| I am equipped with knowledge on how to operate computers                      | 144 | 3.53        | .681         | 27.3         |
| I have the relevant multiple skills to perform my duties effectively          | 144 | 3.19        | .414         | 29.2         |
| I have managerial knowledge and skills of making independent decisions        | 144 | 3.10        | .367         | 33.2         |
| I have administrative knowledge and skills of performing my more diligently   | 144 | 3.11        | .264         | 31.1         |
| I can consult my senior colleagues in the department to make better decisions | 144 | 3.24        | .418         | 22.4         |
| I am oriented on new duties and responsibilities                              | 144 | 3.33        | .614         | 26.3         |
| I am assigned tasks where I have competence                                   | 144 | 2.42        | .554         | 11.2         |
| I have the knowledge and experience of operating newly introduced machines    | 144 | 2.16        | .216         | 17.3         |
| I am allocated duties relevant to my area of specialization                   | 144 | 1.44        | .596         | 06.4         |
| <b>Aggregate Mean Score</b>   |     | <b>3.00</b> | <b>0.467</b> | <b>28.25</b> |

Source: Research Data (2019)

The results in Table 1 indicated a moderate agreement regarding employee empowerment and performance of selected pharmaceutical manufacturing firms with an aggregate mean of 3.00 and coefficient of variation (CV) =28.25%. Only 7 of the 10 statements showed a mean score of more than 3.00 indicating that most of the moderately agreed that employee empowerment had a significant impact on firm performance while 3 of the 10 statements indicated a mean score of less than 2.00 reflecting that a few of the workers indicated that their firms did not assign them duties based on their competencies. Further, it was revealed that new machines were introduced and workers were not trained and duties were allocated to workers regardless of their specialization.

These findings indicated that despite employee empowerment is considered to be a function of firm performance, little emphasize was put by managers to develop employee skills and knowledge. The results revealed that workers were not involved in key decisions neither were they promoted based on performance. Poor working conditions and lack of motivation and delegation were aspects that contributed to deteriorating performance of pharmaceutical manufacturing firms. Inability of the organization to equip employees with appropriate skills and knowledge a negative effect on firm performance. These results are supported by the findings of Okotoh (2015), Okubo and Agili (2015) Ombui and Mwendu (2014) and Raineri

(2011) who noted that employee training had a significant impact on organization performance despite challenges of knowledge management among workers.

#### 4.2 Correlation Coefficients Matrix

To determine whether there existed a significant association between employee empowerment and performance of selected pharmaceutical manufacturing firms in Nairobi City County, correlation analysis was carried out. The results of the correlation analysis are presented in Table 2

**Table 2: Correlation Coefficients Matrix**

|   |  | <b>Firm Performance</b> | <b>Employee Empowerment</b> |
|---|--|-------------------------|-----------------------------|
| <b>Firm Performance</b>                                     | Pearson Correlation<br>Sig. (2-tailed) | 1.000                   |                             |
| <b>Employee Empowerment</b>                                 | Pearson Correlation<br>Sig. (2-tailed) | .601*                   | 1.000                       |
|   |  | 0.042                   |                             |
| * Correlation is significant at the 0.05 level (2-tailed).  |  |                         |                             |
| ** Correlation is significant at the 0.01 level (2-tailed). |  |                         |                             |

Using Pearson’s product-moment correlation coefficient (r), the results indicated that there existed a positive significant relation between the independent variable and the dependent variable. As recommended by Guest (2010), Pearson’s product-moment correlation coefficient (r) between ±1. Where r= +0.7 and above it suggests a very strong relationship; r=+0.5 to below 0.7 is a strong relationship; r=0.3-0.49 is a moderate relationship while r=0.29 and below shows a weak relationship while r=0 reflect that there is no relationship. As depicted in Table 2, the results indicate that there existed a significant positive relationship between employee empowerment and performance of selected pharmaceutical manufacturing firms. Employee empowerment (r= 0.601, p<0.05). Since there was no variable with a correlation below 0.7, the data was justifiable for further data analysis.

#### 4.3 Relationship between Employee Empowerment and Firm Performance

Simple regression was carried out to determine the relationship between employee empowerment and performance of selected pharmaceutical manufacturing firms. The model summary is shown in Table 3.

**Table 3: Model Summary**

| <b>Model</b>                                    | <b>R</b> | <b>R Square</b> | <b>Adjusted R Square</b> | <b>Std. Error of the Estimate</b> |
|---|----------|-----------------|--------------------------|-----------------------------------|
| 1   | .335     | .245            | .023                     | .53479                            |
| a. Predictors: (Constant), Employee Empowerment |          |                 |                          |                                   |

The regression model  $Y = \beta_0 + \beta_1 X_1 + \epsilon$  was fitted to the data and the model was found to be significant. From Table 3, the value R of 0.335 exhibited a positive linear relationship between employee empowerment and performance of selected pharmaceutical manufacturing firms. The R<sup>2</sup> value revealed that the explanatory power of the independent variable was

0.245. This meant that 24.5% of the variation in firm performance explained by the employee empowerment.

**Table 4: ANOVA**

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.  |
|-------|------------|----------------|-----|-------------|--------|-------|
| 1     | Regression | .655           | 1   | .655        | 17.719 | 0.000 |
|       | Residual   | 50.274         | 219 | .357        |        |       |
|       | Total      | 50.929         | 144 |             |        |       |

Dependent Variable: Firm Performance  
 Predictor: (Constant), Employee Empowerment

As illustrated on Table 4, results on the analysis of the variance (ANOVA) showed that F statistic of 17.719 indicated that the overall model was significant as it was exceeded the critical F value of 3.88 with (1, 219) degrees of freedom at the P=0.05 level of significance. The P value of 0.000 was less than 0.05 depicting that the coefficient in the equation fitted was not equal to zero, therefore suggesting a good fit thus appreciating the simple regression fitted, employee empowerment had an effect on performance of selected pharmaceutical manufacturing firms.

**Table 5: Regression Analysis for Employee Empowerment and Firm Performance**

|                      | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|----------------------|-----------------------------|------------|---------------------------|--------|-------|
|                      | B                           | Std. Error | Beta                      |        |       |
| (Constant)           | 0.475                       | 0.127      |                           | 27.523 | 0.000 |
| Employee Empowerment | 0.229                       | 0.028      | 0.078                     | 6.207  | 0.012 |

Dependent Variable: Firm Performance

Results from Table 5 indicate the results of coefficients to the model  $Y = 0.475 + 0.229X_1$  estimates were significant at the 0.05 level of significance as shown on Table 4. This was because the significance was 0.012, which was less than 0.05. The value 0.229 indicated that a unit increase of employee empowerment will result to an increase firm performance at a magnitude of 0.229 units. The coefficient of 0.229 reflects that improvement of employee empowerment by one unit will lead to an increase in firm performance by 0.229 units.

### 5.1 Conclusion

The study concluded that there existed a positive significant relationship between employee empowerment and performance of selected pharmaceutical manufacturing firms. Firm performance was positively influenced by employee empowerment practices such as training of workers, delegation of duties and information sharing among workers. Even though employee training is considered to influence firm performance, it was noted that pharmaceutical manufacturing firms were not embracing on employee empowerment practices such as training, delegation, motivation and information exchange to a larger extent. The study concluded that most of the workers indicated that the extent of delegation of duties

was minimal, working conditions were unfavorable, career advancement was unlikely and there were gaps between top, middle and lower levels management.

### 6.1 Recommendations

The study recommended that management of pharmaceutical manufacturing firms should recognize the need of employee training and development. The training budgets should be increased and recruitment policies should be reviewed in order to attract more qualified and experienced workers. The study also recommended that managers should provide an enabling environment that facilitates workers to advance their careers further. Delegation of responsibilities should be encouraged to facilitate succession management. Conducive working environment should be provided to workers and promotions should be based on qualifications and performance of individual workers.

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