

Influence of Leadership at Top Level Management in Achieving Operational Excellence in Pharmaceuticals

Venkateswara Reddy Boya, K. S. Sekhara Rao

Abstract: This research has been conducted to study how the leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals. This research intends to explain how the leadership at top-level management can bring Operational Excellence in the Organization. Without the complete support from the top-level management, quality product cannot be delivered to the customers/patients across the world. A research questionnaire on “Leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals” for Pharmaceutical companies A, B and C was developed to test the hypotheses on direct interview basis. In Pharmaceutical company A, total 150 people were interviewed on the above topic. Out of 150, 70.00% (105 people) of the people Strongly agreed, 16.67% (25 people) of the people Agreed, 3.33% (5 people) of the people responded Can't Say, 4.67% (7 people) of the people disagreed and 5.33% (8 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. In Pharmaceutical company B, total 170 people were interviewed on the above topic. Out of 170, 67.65% (115 people) of the people Strongly agreed, 20.58% (35 people) of the people Agreed, 4.12% (7 people) of the people responded Can't Say, 3.53% (6 people) of the people disagreed and 4.12% (7 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. Similarly, in Pharmaceutical company C, total 195 people were interviewed on the above topic. Out of 195, 69.23% (135 people) of the people Strongly agreed, 19.49% (38 people) of the people Agreed, 4.10% (8 people) of the people responded Can't Say, 2.56% (5 people) of the people disagreed and 4.62% (9 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. Based on the study it has been concluded that the “Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals”.

Index Terms: Leadership, Operational Excellence, Pharmaceuticals, Top-level Management, Organization.

I. INTRODUCTION

According to Kevin Duggan, Operational Excellence has been ambiguously defined as “world-class operations,” “the best of the best” or “excellence in everything we do.” However, there is a practical, hands on definition of Operational Excellence that, when attained, can allow

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operations to run without management and enable company leadership to spend its time on planning product development, working as per the requirements of customers, exploring new markets and other activities focused on business growth [1]. Dr Sateesh Kumar Ojha in his article titled “Operational excellence for sustainability of Nepalese industries” states that sustainability of any organization is highly affected by operational excellence. His research aims to discover how industries accomplish operational excellence and how workers of Nepalese industries take operational excellence. As per his research study, Operation is an important phase in entire business when the goods and services are delivered as per the requirements of customer. Industries can reduce the cost, produce more, satisfy, and attract the customer. Industries can reach operational excellence by bringing development in the process of operation. Increase the attributes in the product and service based on the customer's choice by dealing waste of different resources. Several organizations, business groups, authors are continuously involving themselves in the effort of performance excellence [2]. Operational Excellence is attained when high performance teams are looking for continuous improvement in well-designed processes, using suitable technologies and tools. Excellence is supported by an idea in which effective leadership, team-working and problem-solving combine to focus upon needs of the customer and all teams are authorized to act to maintain optimal flows of value [3]. Operational Excellence is perceived as helpful means for accomplishing substantial performance gains. The main elements of operational excellence that are important for industries to succeed are as follows.

1.1. Operational Processes

Operational processes offer competitive advantages through strategically managing business processes in the organization.

1.2. Operational Resources

Operational Resources offers competitive advantages through the possession of a bundle of resources, such as: Human (e.g., workers, engineers, managers), Financial (e.g., securities, cash), Physical (e.g., vehicles, warehouse, plant, equipment, office).

1.3. Operational Competencies

Operational Competencies offers competitive advantages through quality, speed, cost, flexibility [4].

The execution of operational excellence strategy, while showing successful results in attaining organizational development, has proven to not be sufficient to ensure long term success [5]. On the other hand, Leadership is the



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quality that sets great managers apart from good ones. [6]. According to the leadership's scholars, effective leadership is a crucial predictor of organizational success or failure while probing the factors that lead to organizational success [7]. John Gardner in his book, "On Leadership", defines leadership as "the process of persuasion or example by which team or an individual encourages a group to act." Management is doing things right and Leadership is doing the right thing [8]. In Pharmaceuticals, in order to achieve Operational Excellence, a good leadership is required at the top-level management.

II. OBJECTIVE

The objective of this study is to prove how the leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals.

III. SCOPE OF THE STUDY

The study focusses on how the leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals. Top Level Management includes Managing Director, board of Directors and CEO. There are many small and medium Pharmaceutical companies in India which are shutting down or running in low profits. This is due to inefficient leadership at the top-level management.

IV. DISCUSSION

This study focusses on how the leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals. The main role of any Pharmaceutical company is to manufacture and supply quality medicines to all the patients/ customers across the world. It requires many rules, regulations and approvals from the local and central Government to set up a Pharmaceutical company and manufacture the medicinal products. All the medicines should be manufactured under Good Manufacturing Practices (GMP) defined by local Regulatory authorities. It requires lot of investment and time to manufacture a given product as per customer's requirement. All the medicinal products are thoroughly tested for quality before they are supplied to the customers/market. This requires lot of time and patience. Without good leadership and support from the top level-management one cannot achieve Operational Excellence in this field. The middle level management includes General Managers, Vice President and President. In order to produce quality products, it requires skilled man power, good systems, good machinery, excellent infra structure, instruments and many more. Often times, though there is a good understanding among middle level management and lower level management in order to produce quality medicines, without support from top level management, it is very difficult to manufacture or produce quality medicines on time. There are several drugs in the market which are not effective or low in quality. In the majority of cases this is due to inefficient leadership and commitment towards quality at the top-level management. Most of the Pharmaceutical companies in India they compromise on quality within the permissible range in order to deliver the products on time and to gain quick profits. Such companies never reach Operational Excellence. To deliver a drug product on time with desired quality attributes there

should be complete support from top level management. Good leadership is important at this stage. Without good leadership, it is difficult to accomplish Operational Excellence in Pharmaceuticals. Most of critical decisions with respect to the quality of the products are taken by the top-level management.

V. METHOD

A research questionnaire on "Leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals" for Pharmaceutical companies A, B and C was developed to test the hypotheses on direct interview basis. In Pharmaceutical company A, total 150 people were interviewed on the above topic. Out of 150, 70.00% (105 people) of the people Strongly agreed, 16.67% (25 people) of the people Agreed, 3.33% (5 people) of the people responded Can't Say, 4.67% (7 people) of the people disagreed and 5.33% (8 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. In Pharmaceutical company B, total 170 people were interviewed on the above topic. Out of 170, 67.65% (115 people) of the people Strongly agreed, 20.58% (35 people) of the people Agreed, 4.12% (7 people) of the people responded Can't Say, 3.53% (6 people) of the people disagreed and 4.12% (7 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. In Pharmaceutical company C, total 195 people were interviewed on the above topic. Out of 195, 69.23% (135 people) of the people Strongly agreed, 19.49% (38 people) of the people Agreed, 4.10% (8 people) of the people responded Can't Say, 2.56% (5 people) of the people disagreed and 4.62% (9 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. After conducting this research study, it has been concluded that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals" in Pharmaceutical companies A, B and C.

Table-1 Survey for Pharmaceutical Company-A

| S. No. | Level of agreement | In Number | In Percentage |
|--------|--------------------|-----------|---------------|
| 1. | Strongly agreed | 105 | 70.00% |
| 2. | Agreed | 25 | 16.67% |
| 3. | Can't say | 5 | 3.33% |
| 4. | Disagreed | 7 | 4.67% |
| 5. | Strongly disagreed | 8 | 5.33% |
| 6. | Total | 150 | 100.00% |

Level of agreement in Percentage (%) calculation by using following formula;

$$\% \text{ Calculation} = \frac{a}{b} \times 100$$

Where, "a" is number of people as per level of agreement



“b” is total number of people interviewed

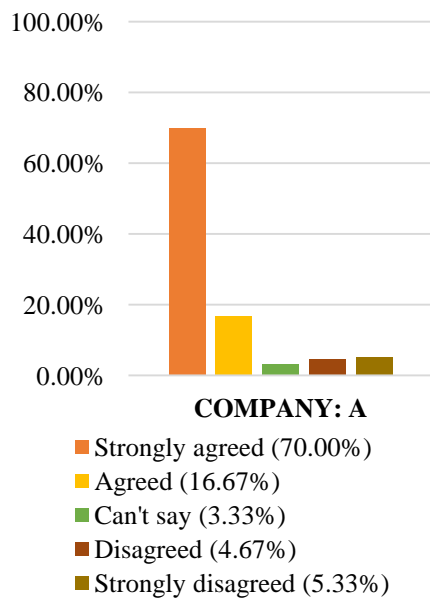


Fig. 1 Graphical presentation of survey of company-A

Table-2 Survey for Pharmaceutical Company-B

| S. No. | Level of agreement | In Number | In Percentage |
|--------|--------------------|-----------|---------------|
| 1. | Strongly agreed | 115 | 67.65% |
| 2. | Agreed | 35 | 20.58% |
| 3. | Can't say | 7 | 4.12% |
| 4. | Disagreed | 6 | 3.53% |
| 5. | Strongly disagreed | 7 | 4.12% |
| 6. | Total | 170 | 100.00% |

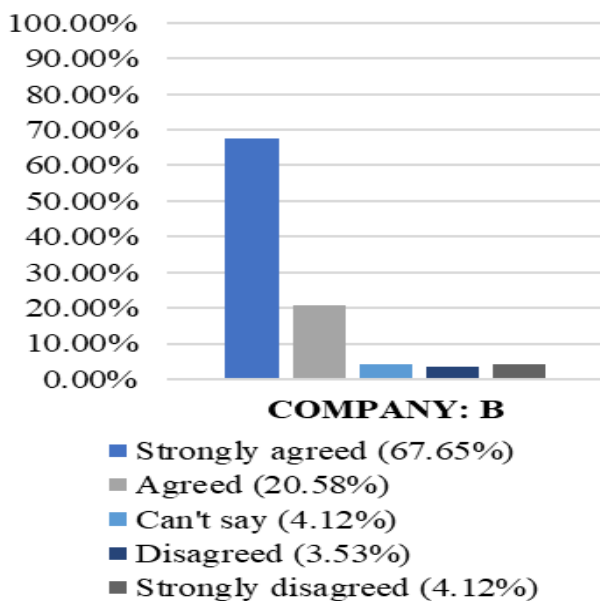


Fig. 2 Graphical presentation of survey of company-B

Table-3 Survey for Pharmaceutical Company-C

| S. | Level of | In | In |
|----|----------|----|----|
|----|----------|----|----|

| No. | agreement | Number | Percentage |
|-----|--------------------|--------|------------|
| 1. | Strongly agreed | 135 | 69.23% |
| 2. | Agreed | 38 | 19.49% |
| 3. | Can't say | 8 | 4.10% |
| 4. | Disagreed | 5 | 2.56% |
| 5. | Strongly disagreed | 9 | 4.62% |
| 6. | Total | 195 | 100.00% |

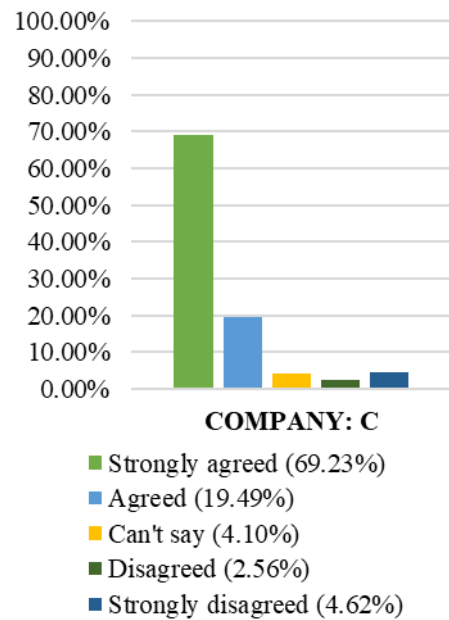


Fig. 3 Graphical presentation of survey of company-C

VI. CONCLUSION

Based on the research study it has been concluded that the Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals”. A research questionnaire on “Leadership at top-level management has an influence in achieving Operational Excellence in Pharmaceuticals” for Pharmaceutical companies A, B and C was developed to test the hypotheses on direct interview basis. In Pharmaceutical company A, total 150 people were interviewed on the above topic. Out of 150, 70.00% (105 people) of the people Strongly agreed, 16.67% (25 people) of the people Agreed, 3.33% (5 people) of the people responded Can't Say, 4.67% (7 people) of the people disagreed and 5.33% (8 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. In Pharmaceutical company B, total 170 people were interviewed on the above topic. Out of 170, 67.65% (115 people) of the people Strongly agreed, 20.58% (35 people) of the people Agreed, 4.12% (7 people) of the people responded Can't Say, 3.53% (6 people) of the people disagreed and 4.12% (7 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals. In Pharmaceutical company C, total 195 people were interviewed on the above topic. Out of 195, 69.23% (135 people) of the people Strongly agreed, 19.49% (38 people) of the people Agreed, 4.10% (8



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people) of the people responded Can't Say, 2.56% (5 people) of the people disagreed and 4.62% (9 people) of the people only Strongly disagreed that Leadership at top-level management has a positive influence in achieving Operational Excellence in Pharmaceuticals.

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