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The Effect of Internal Factors on Financial Performance of Pharmaceutical Wholesale Companies in Zimbabwe

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Abstract

The study examined the effect of internal factors on financial performance of pharmaceutical wholesale companies in Zimbabwe. The research objectives set to guide the study were to ascertain internal factors influencing the financial performance of pharmaceutical wholesale companies; establish operating mechanisms that are deployed to improve financial performance of pharmaceutical wholesale companies; identify adverse effects resulting from the poor financial performance of pharmaceutical wholesale companies and proffer recommendations on how pharmaceutical wholesale companies in Zimbabwe can improve financial performance. The study adopted a quantitative research design and employed convenient sampling to gather data from 103 pharmaceutical companies in Zimbabwe. Data was analyzed using descriptive statistics and the results from the study were presented using tables and figures. Results from the study show that information technology systems and marketing systems may influence financial performance of pharmaceutical wholesale companies, while organizational culture, financial mechanisms and distribution systems may not influence financial performance. Adverse effects of poor financial performance identified in the study include economic loss, bad operational decisions, poor staff retention and bankruptcy. Key recommendations from the study include the need to leverage information technology (IT) systems and marketing systems to improve the financial performance of pharmaceutical wholesale companies in Zimbabwe. While the study did not find significant influences of organizational culture, financial mechanisms and distribution systems on financial performance, it is essential for companies to continuously assess and adapt these internal factors to align with organizational goals and market dynamics.

Keywords: *Financial Performance, Internal Factors, Pharmaceutical Wholesale Companies, Zimbabwe.*

Introduction

The pharmaceutical sector in Zimbabwe plays a pivotal role in delivering essential healthcare products to its population. Zimbabwe has a populace exceeding 14 million and encounters significant healthcare challenges [1]. These significant health challenges include a high disease burden, restricted healthcare access, and a scarcity of medical resources [2]. Acting as vital intermediaries in the healthcare supply chain, pharmaceutical wholesale companies distribute medications, vaccines, and medical equipment to healthcare facilities, pharmacies, and other healthcare providers nationwide [3].

Zimbabwe hosts just nine pharmaceutical manufacturing companies, encountering operational hurdles that hinder growth and have led to a decline in the local production market share of medicines to a mere 10% in 2014 [3]. The inadequate local capacity for medicine manufacturing has resulted in critical medicine shortages in the market. Zimbabwe has 120 registered pharmaceutical wholesale companies [2].

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Imported medicines constitute 50% of the market, while donated medicines, also imported, make up 40%, with locally produced medicines accounting for only 10% [3]. To enhance the financial performance of pharmaceutical wholesale companies, effective operational mechanisms are crucial to meet the essential medicines demanded in the market. The limited local procurement of medicines, contributing only 10% of available market medicines, results in diminished market share and profitability for wholesalers [3].

Operating within a dynamic and challenging environment marked by economic volatility, regulatory intricacies, and healthcare system limitations, companies in Zimbabwe face various hurdles, including currency instability, supply chain disruptions, and regulatory compliance demand [4]. Pharmaceutical wholesale companies employ a mixed pricing strategy [2] and this poses challenges for wholesalers, with currency conversions incurring substantial taxes, thereby impacting companies' profitability.

Despite these challenges, the pharmaceutical sector remains instrumental in ensuring the availability and accessibility of crucial medicines, particularly in rural and underserved regions [3]. The critical role played by pharmaceutical wholesale companies in Zimbabwe is vital for ensuring availability of essential medicines. However, there is a lack of comprehensive understanding of internal factors that significantly impact financial performance. Despite Zimbabwe facing challenges such as economic volatility, regulatory constraints, and supply chain complexities [5] the specific internal factors influencing financial outcomes of pharmaceutical wholesale companies have not been thoroughly explored. However, other studies conducted highlight the difficulties of pharmaceutical wholesale companies in sustaining profitability due to poor economy performance and severe regulatory restrictions in Zimbabwe [6]; [2].

This knowledge gap hinders the ability of pharmaceutical wholesale companies to manage operations effectively, allocate resources optimally, and maintain profitability in a competitive business environment. Without a clear understanding of these internal factors, pharmaceutical wholesale companies, policymakers and industry practitioners may struggle to identify areas for improvement, implement strategic initiatives, and mitigate financial risks, putting their long-term sustainability and the healthcare supply chain in Zimbabwe at risk. This research is crucial for filling knowledge gaps and guiding evidence-based decision-making to strengthen the resilience and effectiveness of the healthcare supply chain in Zimbabwe.

This study aims to examine the effect of internal factors on financial performance of pharmaceutical wholesale companies in Zimbabwe. The research objectives set to guide the study were to ascertain internal factors influencing the financial performance of pharmaceutical wholesale companies; establish operating mechanisms that are deployed to improve financial performance of pharmaceutical wholesale companies; identify adverse effects result from the poor financial performance of pharmaceutical wholesale companies and proffer recommendations on how pharmaceutical wholesale companies in Zimbabwe can improve financial performance. By identifying and analyzing these factors, the research seeks to provide valuable insights that can inform strategic decision-making, enhance financial management practices, and ultimately elevate the performance and competitiveness of the pharmaceutical sector in Zimbabwe.

Methods

The geographical scope of the study is centered in 5 cities of Harare, where most pharmaceutical wholesale companies are located (Harare, Bulawayo, Mutare, Gweru, Kwekwe) [6]. Harare is the capital city of Zimbabwe. It has a population of 1,542,813

million people, Bulawayo- 699,385 people; Mutare- 184,205 people; Gweru- 146,073 people; and Kwekwe- 99,149 people [7]. Most businesses have their headquarters in Harare since it is the capital city of Zimbabwe. Also, these locations were selected because of the presence of registered pharmaceutical wholesalers actively trading in these cities of Zimbabwe.

In this study, a non-probability sampling technique was used. According to [8], non-probability sampling was used to select sample units based on the researcher's judgement or on availability of the sampling units. Company owners, directors, marketing managers, finance manager, procurement managers, and distribution managers at pharmaceutical wholesale companies were selected conveniently.

The formula adopted from [9] was used to calculate the sample size for a population of 120 pharmaceutical wholesale companies in Zimbabwe, using a confidence interval of 95%, and 5% margin of error.

$n = N/(1 + N(e2))$

n= represent the Sample size

N= represents Total Population under study.

e2 = represent the level of significance (0.05)

n =120/(1+120(0.0025))

n=120/(1+0.4225)

n=120/1.4225

n=92.3

n=92

Therefore, with the instrumentation of the formula [9], the minimum sample size for the study is ninety-two (92) respondents. Accounting for non-response

$$Required\ sample\ size = Minimum\ sample\ size/(1 - f)$$

$where\ f\ is\ 10\%$

The required sample size n = 103.

According to [10] response rates approximating 60% should be the goal of researchers for research studies.

The researcher pretested the questionnaire in 3 locations, that is Harare, Mutare and Kwekwe to ensure that the questionnaire is clear, valid, and reliable. The researcher pretested the questionnaire with company owners, financial, procurement, distribution, and marketing managers of key technical areas at 10 pharmaceutical wholesale companies that did not participate in the study (5 companies in Harare, 3 in Mutare and 2 in Kwekwe). The researcher adjusted the questionnaire based on the feedback from financial experts.

The researcher analyzed the effect of internal factors on financial performance of pharmaceutical wholesale companies in Zimbabwe using descriptive Statistics with Microsoft Excel to analyze data collected. The diverging Stacked Bar Graphs was used to present data graphically and provide some insight into where most responses lie [10], [11], [12]. Further interpretation was done using mean scores [13] using the formulas below:

$$Total\ scores = \sum(fi\ xLikert\ Scale\ Score)$$

Where: $\boldsymbol{f_i}$ = frequency of each Likert scale score (number of respondents)
$\boldsymbol{i}$ = Likert Scale Scores, namely SD (1), D (2), Neutral (3), A (4), SA (5). Mean score was calculated by dividing the total scores by the total number of respondents:

$$Mean\ Score = \sum(fi \times Likert\ Item\ Score) \div Number\ of\ Respondents.$$

Likert scale mean scoring: The attitude of respondents was determined based on the inference that a mean score of 3 in Likert scale represents neutral attitude, a mean score of less than 3 represents negative attitude and a mean score greater than 3 represents a positive attitude. The range of interpreting the Likert scale mean score was given as follows: 1.0-2.4 (Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude).

Results

Respondents Background Characteristics

Demographic Information

Requests for interviews were sent to the 103 pharmaceutical wholesalers in Zimbabwe through email. Respondents were reached using email in which an online link with google forms was shared. Out of the sample of 103 pharmaceutical wholesalers, 98 (95%) pharmaceutical wholesale companies were available for interviews. The respondents were categorised into top management, middle management, and supervisors/low level management [14]. Table 1 below shows the respondents background characteristics.

Table 1. Respondents Background Characteristics

Variable		Proportion	Percentage
Position in company	Top Management	49	50.0%
	Middle Management	18	18.8%
	Supervisor	31	31.2%
Education level	Postgraduate level	56	57.1%
	University level	22	22.4%
	College level	20	20.4%
Years in operation	≤3 years	19	19.4%
	4-5 years	15	15.3%
	6-10 years	27	27.56%
	≥10 years	37	37.8%
Number of employees	1-10	40	40.8%
	10-49	48	48.9%
	50-250	10	10.2%
	Above 250	0	0%
Company location	Harare	75	77%
	Bulawayo	9	9%
	Mutare	7	7%
	Gweru	5	5%
	Kwekwe	2	2%

The results from the study show that half of all the respondents (50.0%) were top management while 18.8% were middle management level, and 31.2% were supervisory staff. The majority (37.8%) of wholesalers that responded to the study had been operational for more than 10 years, 27.56% with 6-10 years' operating and 19.4% with less than 3 years operation. Ten percent (10%) were medium size pharmaceutical wholesale companies with 50 employees and above, while 48.9% were small size companies (10- 49 employees) and 40.8% were micro-size pharmaceutical wholesalers with below 10 employees [15]. The majority, 80% of medium size companies had been operational for more than 10 years.

Internal Factors Influencing Financial Performance

Organizational Culture

Most respondents (57%) agreed that organizational structure affect company financial performance, while 38% disagreed. On whether the organization fosters adaptability and change management, most

(53%) of the respondents disagreed and 41% agreed that the organization fosters adaptability and change management. Majority (82%) of the respondents agreed that there is a strong alignment between organizational values and financial performance. Figure 1 below shows results from the respondents on how organizational culture influence financial performance of pharmaceutical wholesale companies.

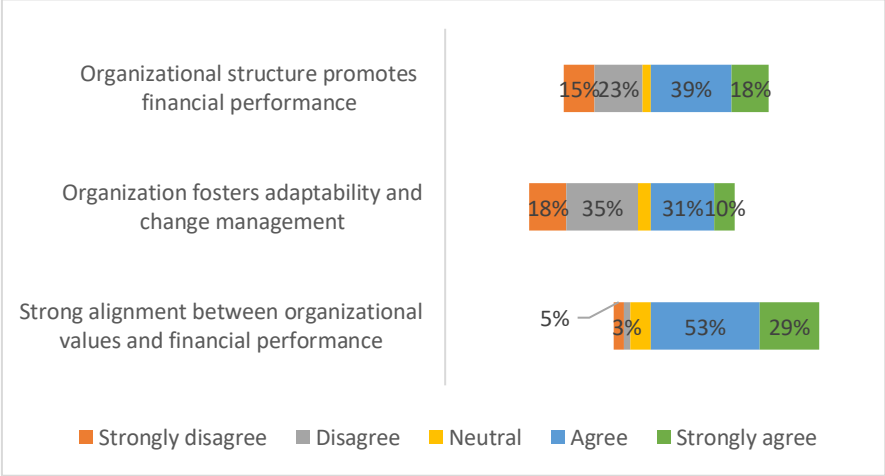

Figure 1. Organizational Culture and Financial Performance

As shown in Table 2 below, respondents' opinions were also measured using mean scores. The overall attitude of respondents toward the relationship between organizational culture and financial performance is neutral, with an overall mean score of 2.7.

Table 2. Mean Scores for Organizational Culture and Financial Performance

S/N	**Organizational culture and financial performance**	**SD**	**D**	**N**	**A**	**SA**	**N**	**Mean Score**	**Attitude**
1	Strong alignment between organizational values and financial performance	5	3	10	52	28	98	4.0	Positive
2	Organization fosters adaptability and change management	18	34	6	30	10	98	2.9	Neutral
3	Organizational structure promotes financial performance of company	15	23	4	38	18	98	1.3	Negative

4	**Overall Mean Score**	**2.7**	**Neutral**

*Score criteria: 1.0-2.4 (Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude).

Financial Mechanisms Deployed

Most respondents (60%) highlighted that organizational staff prepare financial statements. However, key challenges in preparing financial statements were also highlighted by most respondents. Sixty (60%) percent of the respondents agreed that financial statements were prepared by a full-time accountant, while 30% by the company owner. Of the 10% that hired accounting staff, 60% were from medium size company. Figure 2 below shows the results from respondents on who prepared accounts and financial statements of the company.

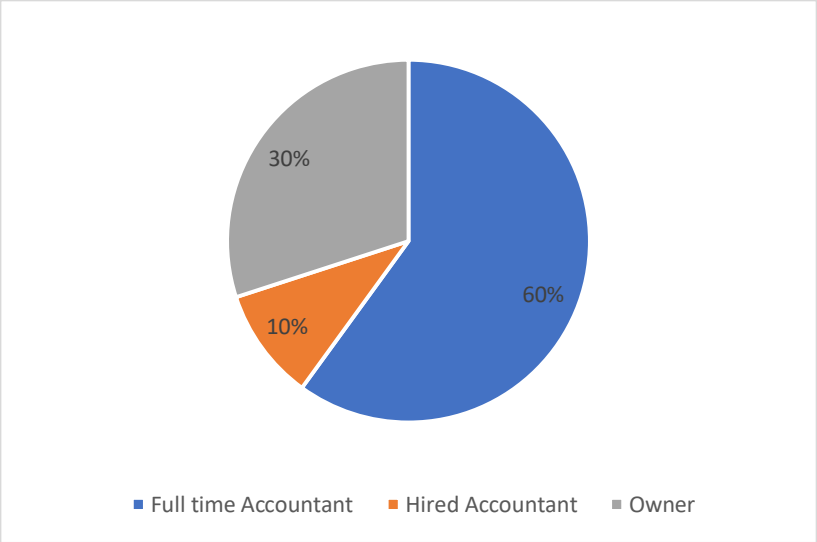

Figure 2. Who Prepares of Financial Statements?

Findings from the study indicate that all financial statements were being used by pharmaceutical wholesale companies for reporting. Most respondents (72%) identified the statement of cash flow as the most used in advising financial performance, followed by the balance sheet (48%). The statement of changes in equity was identified as the least which the companies used (10%). Figure 3 below shows the results on financial statements used to monitor financial performance.

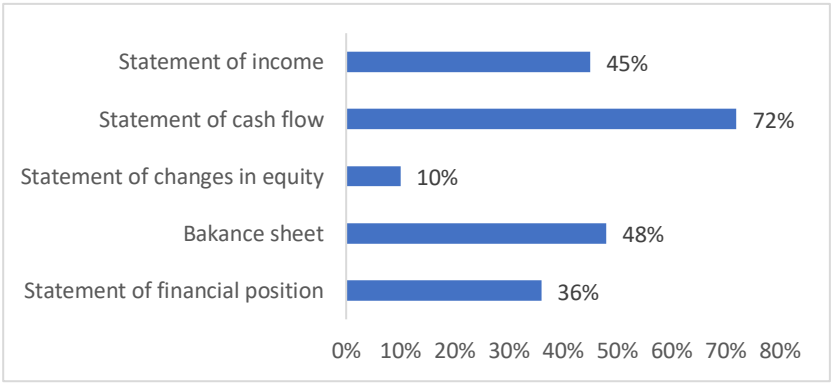

Figure 3. Financial Statements Used to Monitor Financial Performance.

Figure 4 below shows the challenges faced by pharmaceutical companies in preparing financial statements. Majority of the respondents disagreed (85%) that company staff lacked accounting knowledge while only 15% agreed that the company staff lacked accounting knowledge. Of the respondents, 60% of the 35% that strongly disagreed were from companies with more than 10 years' operating.

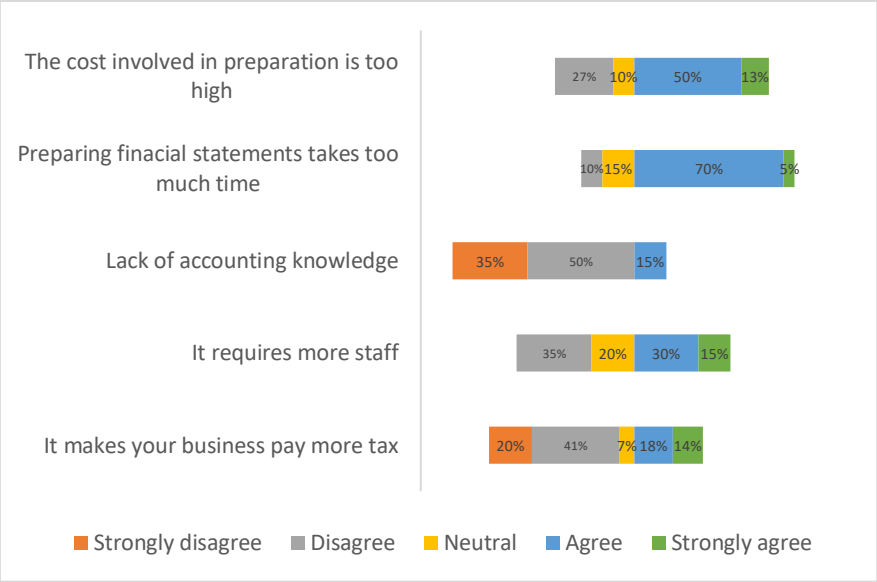

Figure 4. Challenges Faced by Pharmaceutical Companies in Preparing Financial Statements

Key challenges, mentioned by respondents with preparing financial statements include that the cost involved in financial performance was too high (83% agreed). Seventy percent (70%) agreed that preparing financial statements takes too much time while only 10% disagreed.

Forty-five percent (45%) agreed that it required more staff to prepare financial statements, while 35% disagreed. Of the 30% that agreed on requiring more staff to prepare financial statements, 60% are from companies operating 6-10 years, and 20% from companies operating less than 3 years. Majority of the respondents (61%) disagreed that preparing financial statements makes your business pay more tax. Sixty-one percent (61%) disagreed that preparing financial statements makes a business pay more tax. As shown in Table 3 below, the overall attitude on challenges faced in preparing financial statements is neutral, with an overall mean score of

Table 3. Mean Scores for Financial Mechanisms Challenges

S/N	Challenges faced in preparing financial statements	SD	D	N	A	SA	Total score	Mean score	Attitude
1	It makes your business pay more tax	20	40	7	18	14	263	2.7	Neutral

2	It requires more staff	0	34	20	29	15	319	3.3	Neutral
3	Lack of accounting knowledge	34	49	0	15	0	192	2.0	Negative
4	Preparing financial statements takes too much time	0	10	15	69	5	366	3.7	Positive
5	The cost involved in preparation is too high	0	26	10	49	13	343	3.5	Positive
6	**Overall Mean Score**							**3.0**	**Neutral**

Information Technology Systems and Financial Performance

The study found out that utilisation of technology by pharmaceutical wholesale companies was high among the pharmaceutical wholesale companies. The most used gadgets where desktop computers (80%), laptops (92%) and mobile phones (89%).

The study found out that pharmaceutical wholesale companies use information technology (IT) for a wide range of activities to improve financial performance. These wide range of activities include financial transactions and marketing. Seventy-five percent (75%) of the respondents always used IT to perform financial transactions, 52% always used IT for customer ordering, 45% used IT to always give information on products (45%) and marketing products (47%). Only 18% never used IT to order products.

Sixty-four percent (64%) sometimes used IT to with customers. Figure 5 below shows use of IT by pharmaceutical wholesale companies.

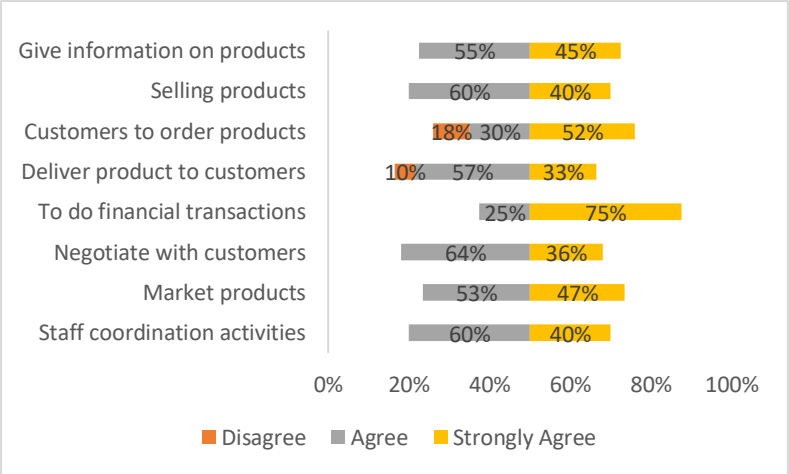

Figure 5. Use of IT by Pharmaceutical Wholesale Companies

As shown in Table 4 below, the overall mean score on uses of IT to influence financial performance is 4.4, which is positive. Respondents perceive IT activities such as staff coordination, marketing, negotiation, financial transactions, customer interactions, and sales as positively contributing to financial performance, as indicated by the consistently high mean scores falling within the positive attitude range.

Table 4. Mean Scores for Information Technology and Financial Performance

S/N	IT and financial performance	D	A	SA	Mean score	Attitude
1	Staff coordination activities	0	59	39	4.4	Positive
2	Market products	0	52	46	4.5	Positive
3	Negotiate with customers	0	63	35	4.4	Positive
4	To do financial transactions	0	25	74	4.8	Positive
5	Deliver product to customers	10	56	32	4.2	Positive
6	Customers to order products	18	29	51	4.3	Positive
7	Selling products	0	59	39	4.4	Positive
8	Give information on products	0	54	44	4.4	Positive
9	**Overall score**				**4.4**	**Positive**

*Score criteria: 1.0-2.4 (Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude).

Marketing Systems and Financial Performance

The results show that retail pharmacies are a major customer of pharmaceutical wholesalers (70%), 67% sell to clinics, 65% sells to hospitals, 53% sells to other pharmaceutical wholesale companies. Individuals constitute 25% of the customer base in this study. Figure 6 below shows the customer base for pharmaceutical wholesale companies

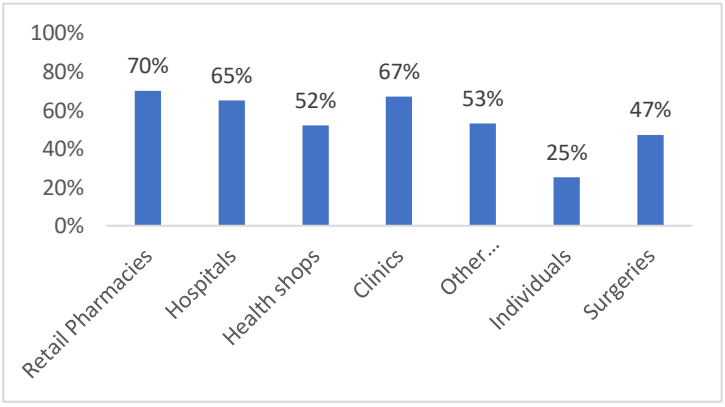

Figure 6. Pharmaceutical Wholesale Companies Customer Base

Majority (83%) of the respondents agreed that marketing improves financial performance of the company. Fifty-five percent (55%) of the respondents agreed that the company uses social media marketing to promote products, while 35% disagree. Majority (74%) agree that the company makes significant investment into marketing. To reach their customers, 65% agreed that they went for outreaches to market products. Figure 7 below shows marketing strategies to improve financial performance.

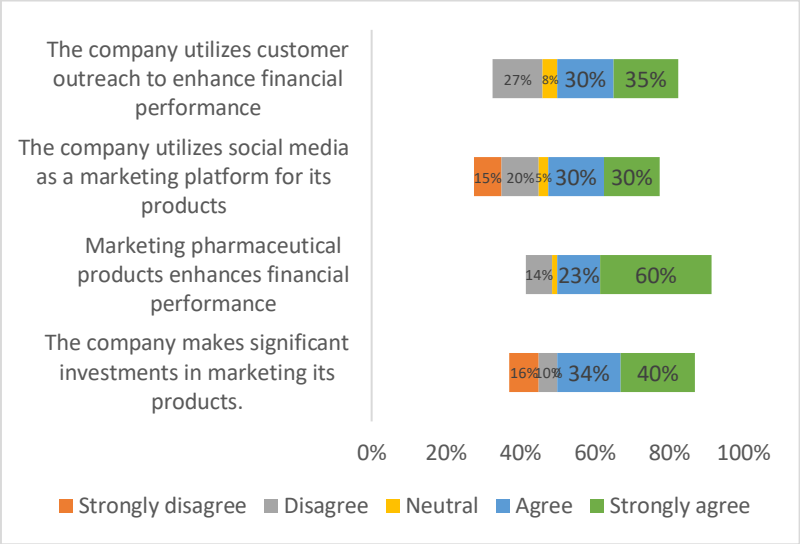

Figure 7. Marketing Strategies to Improve Financial Performance

As shown in Table 5 below, the overall attitude towards the relationship between marketing systems and financial performance is positive, with an overall mean score of 3.8. Respondents perceive marketing investments, marketing pharmaceutical products, and customer outreach as positively influencing financial performance. However, opinions regarding the utilization of social media as a marketing platform are more varied, with a neutral attitude prevailing.

Table 5. Mean Scores for Marketing Strategies to Improve Financial Performance

S/N	Marketing systems and financial performance	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean Score	Attitude
1	The company makes significant investments in marketing its products.	16	10	0	33	39	3.7	Positive
2	Marketing pharmaceutical products enhances profitability	0	14	3	23	59	4.3	Positive
3	The company utilizes social media as a marketing platform for its products	15	20	5	29	29	3.4	Neutral
4	The company utilizes customer outreach to enhance profitability	0	26	8	29	34	3.7	Positive
5	**Overall score**						**3.8**	**Accepted**

*Score criteria: 1.0-2.4 (Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude).

Distribution Systems and Financial Performance

Most of the respondents agreed that companies have distribution systems to move the products to the customer. Seventy percent (70%) of the respondents agreed that pharmaceutical wholesale companies make significant investment in product distribution, while only 15% disagree. Fifty-five percent of those that strongly agreed to have an efficient distribution system were from companies with more than 10 years' operating, while 40% were from companies with 6-10 years' operating.

Sixty-nine (69%) of the respondents agreed that the company has an efficient distribution system, while only 20% disagreed. Majority of the respondents (66%) from the medium size companies agreed that the company has an efficient distribution system.

Majority of respondents, 61% disagreed that the company outsources distribution of pharmaceutical products, while 37% agreed that the company outsources distribution services. Most of the respondents (69%) agreed that that the company has partnerships with other logistics companies, while 28% strongly disagreed that the company has partnerships with other logistics companies. Figure 8 below shows pharmaceutical wholesale companies distribution system and financial performance.

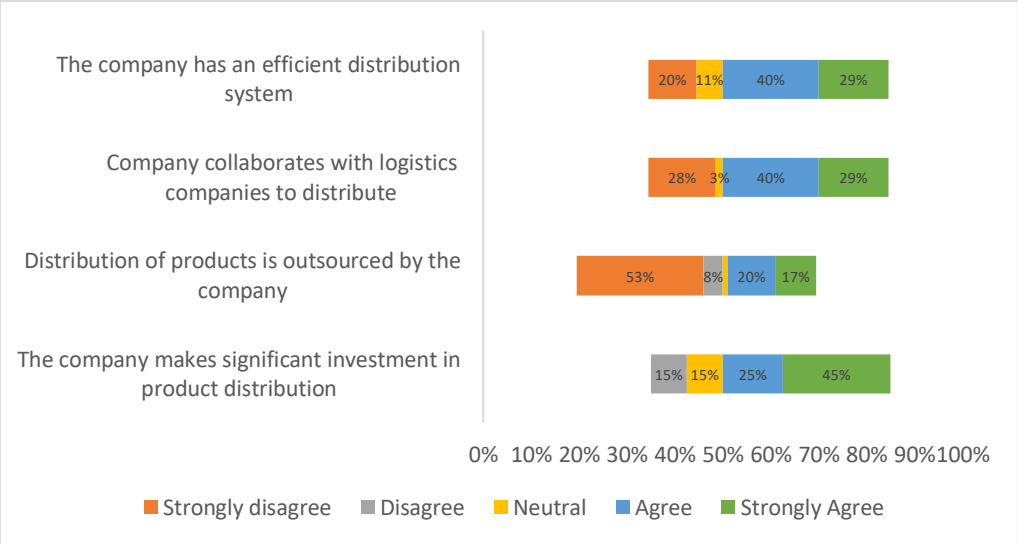

Figure 8. Pharmaceutical Wholesale Distribution Systems and Financial Performance

The overall attitude towards the relationship between distribution system and financial performance is neutral, with an overall mean score of 3.4, as shown in Table 6 below. Respondents perceive significant investment in product distribution and having an efficient distribution system as positively impacting financial performance. However, there is a negative attitude towards outsourcing distribution, while the collaboration with logistics companies for distribution evokes a more neutral attitude overall.

Table 6. Mean Scores for Distribution Systems and Financial Performance

S/N	Distribution system and financial performance	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Score	Mean score	Attitude

1	The company makes significant investment in product distribution	0	15	15	25	44	395	4.0	Positive
2	Distribution of products is outsourced by the company	52	8	2	20	17	239	2.4	Negative
3	Company collaborates with logistics companies to distribute	27	0	3	39	28	332	3.4	Neutral
4	The company has an efficient distribution system	20	0	11	39	28	349	3.6	Positive
5	**Overall mean score**							**3.4**	**Neutral**

*Score criteria: 1.0-2.4 (Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude).

Adverse Effects of Poor Financial Performance

Several adverse effects of poor financial performance were cited by respondents. Seventy-five (75%) percent of the respondents mentioned that economic loss is the major adverse effect of poor financial performance while only 40% mentioned bankruptcy. Sixty percent (60%) of the respondents mentioned that bad operations decisions and that poor staff retention (52%) are also adverse effect of poor financial performance. Figure 9 below shows the adverse effects of poor financial management.

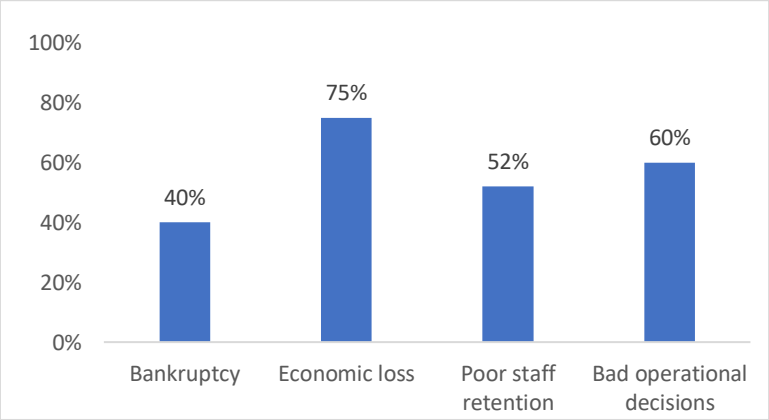

Figure 9. Adverse Effects of Poor Financial Performance

Discussion

The majority, 80% of medium size companies had been operational for more than 10 years. Firm size and the age of the company with financial performance, results from this study agree with the findings from other researchers. Majority of medium-sized companies being operational for more than 10

years reflects their maturity, resilience, and capacity for sustained success. [16] opine that a firm's size is a primary factor in determining its profitability. [17] also asserts that firm's size influence financial performance of a company. Findings from the study provides key insights into the evolving dynamics of the business landscape and the factors contributing to the longevity and viability of medium-sized enterprises. However, [18] found out an inverse relationship between firm age and financial performance in Nigeria.

Of the 50% top management that responded, 70% had post-graduate level education. These findings may suggest that top management with post-graduate level education may bring a wealth of knowledge, expertise, and strategic thinking to the organization, which may positively influence financial performance. This could be through innovation, effective decision-making, strategic planning, and leadership capabilities. To [19] higher academic qualifications influence positively performance. In addition, [20] mention that that resource allocation, internal control systems and management capacity have a positive effect on financial performance.

In this study, respondents were neutral (overall mean score of 2.7) on effect of organizational culture on financial performance. Even though respondents perceived a strong alignment between organizational values and financial performance (mean score 4.0 indicating positive attitude), they also opined that the organizational structure does not promote financial performance of the company (mean score 1.3- negative attitude). Findings from the study differ those by [21], who found out that there is a positive relationship between organizational culture and financial performance. To [22], organizational culture has a key influence on decision-making processes pertaining to financial matters.

In the view of [23] corporate culture entails visionary, ethical, and managerial orientations which organizations use to promote and practice as public commitments toward all stakeholders. In a study that was conducted by [23], corporate values indirectly affect income and operational performance through human values.

According to a study that was conducted by [24], organizational change management processes have a significant contribution to the financial performance of organizations. However, more studies need to be conducted to understand the effect of change management and organizational structure on financial performance.

Findings from the study indicate that all financial statements were being used by pharmaceutical wholesale companies for reporting. These findings agree with other studies. To [25] operationalizing accounting and financial management system impact on financial performance. In this study, most of companies used different accounting methods to monitor financial performance. To [26], small to medium companies prepare financial statements using full-time accounts officers, and sometimes company owners also prepare financial statements. Also, the study found out that some pharmaceutical wholesale companies outsourced services. According to [27], outsourcing enables companies to access world class technical skills while also minimising risk.

As this study found out, [28] mentions that different financial statements, which companies use include cash flow, statement of income and balance sheet among others are used for accounting and affect financial performance. The study found out challenges in financial reporting which was also confirmed in other studies. To [29], capturing financial information takes a lot of time, which corroborates findings from study. There was a mean score of 3.7 on the perception of respondents on financial statements preparation taking too much time, indicating a positive attitude.

In this study, respondents perceived several IT activities as positively influencing financial performance, with an overall mean score of 4.4. According to [30], information technology entails use of computers and hardware to manage business on a wide range of activities where IT is utilised in pharmaceutical companies. [31], views that bigger companies have more IT needs and use more complex technologies. There is need to conduct more studies to analyse the effect of IT systems on financial performance with the mediating effect of business operating environment in Zimbabwe, where economic situation is dynamic.

Respondents in the study perceive marketing systems and financial performance as positive. In the study, respondents identified customer base for pharmaceutical wholesale companies. This corroborates with the [32], which identified the market base for pharmaceutical companies as chain pharmacies, independent pharmacies, hospitals, clinics, nursing homes, and mail-order pharmacies among others. To [33], marketing improves financial performance of an organization.

On distribution system and financial performance, respondents had a neutral attitude with an overall mean score of 3.4 although they perceived significant investment in product distribution and having an efficient distribution system as impacting positively on financial performance. [34] opines that a good distribution system delivers higher profits since products and goods can be distributed. Even though outsourcing distribution services and partnerships to improve distribution were less common among wholesale. [27] asserts that outsourcing logistics leads to improvement in financial performance.

The study found out several adverse effects of poor financial performance. Findings from this study are confirmed by other studies. adverse effects of financial performance such as bankruptcy, economic loss, poor staff retention, and bad operational decisions can have far-reaching consequences, such as legal, financial, operational, and reputational challenges. Addressing these issues requires proactive measures to improve financial health and sustain long-term viability. According to [35], effective budgeting practices positively and significantly influence financial performance of companies.

Conclusion

Based on the major findings from the research results of the study, internal factors such as information systems (overall mean score of 4.4) and marketing systems (overall mean score of 3.8) may influence financial performance of pharmaceutical wholesale companies in Zimbabwe. On the other hand, distribution systems (overall mean score of 3.4), financial mechanisms (overall mean score of 3.0) and organizational culture (overall mean score of 2.7) may not influence financial performance. Information technology activities such as staff coordination, marketing, negotiation, financial transactions, customer interactions, and sales were perceived as positively contributing to financial performance, as indicated by the consistently high mean scores falling within the positive attitude range. Marketing investments, marketing pharmaceutical products, and customer outreach were positively perceived as influencing financial performance. However, opinions regarding the utilization of social media as a marketing platform are more varied, with a neutral attitude prevailing.

On the other hand, on organizational culture, respondents perceived a strong alignment between organizational values and financial performance (mean score 4.0 indicating positive attitude). However, respondents perceived that the organizational structure did not promote financial performance of the company. On distribution systems, respondents perceived that significant investments in distributing products (mean score-4.0) and having an efficient distribution system (mean

score 3.6) positively influence financial performance. Although respondents agreed that accounts staff had requisite knowledge, key challenges identified in preparing financial statements include taking too much time and involving a high cost.

Economic loss, and bad operational decisions were identified as top adverse effects of poor financial performance in this study. With the current evidence in this study, deploying effective marketing systems can lead to improved financial performance of pharmaceutical wholesale companies. Hence the acceptance of the hypothesis statement is to accept H^0, which reads: Deploying effective marketing systems will lead to the improved financial performance of the pharmaceutical wholesale companies.

Acknowledgements

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Conflict of Interest

I, Priscilla Kusena, confirm that there are no conflicts of interest related to the subject matter of this research. I do not have any financial or professional associations that might impact the research outcomes. My participation in this study is motivated purely by academic curiosity and a dedication to enhancing the knowledge base in this field. Maintaining transparency and integrity is crucial, and I have conducted this research with fairness and neutrality. Readers can have confidence that the study's results are unbiased and not influenced by any external factors.

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