

ABSTRACT

Sunshine Healthcare Lanka Limited (SHL) is a pharmaceutical importer with a long-standing history of 54 years as the second largest market player with 12.33% market share. SHL is a fully import based company which provides distribution solutions to the global pharmaceutical manufactures in Sri Lanka. All other pharma importers, approximately 70 companies in the market have outsourced their distribution operation and SHL holds onto own distribution channel as sustained core competency. Thus, higher level of operational efficiencies in distribution arm is very critical for SHL to be competitive in the market and to sustain the market position that it holds currently. Pharmaceutical market is a highly regulated market, which has faced challenges during the last few years due to government price controls on selected molecules, drastic rupee devaluation resulted over the period and prevailing challenges due to current global pandemic. Given the challenging time, SHL has been taking ambitious growth over the period. Revenue targets have been improved over the last few years with a higher growth rate; yet certain conditions required for business growth such as capacity improvements, technology deployments, upgrading policy and procedures and other requirements were kept unchanged or even further reduced for the cost controlling purposes. As per the study conducted, it has been observed administrative efficiency measurements associate with organizational performance. This study was conducted to understand the relationship between the administrative efficiency and the organizational performance of distribution arm of Sunshine Healthcare Lanka Ltd., which hypothetically to have positive correlation. Quantitative technique was used as research approach of this study. Cluster sampling method used to collect data, and which is the most suitable sampling technique to have good representative of sample, based on the geographical location as well as the designation structure at SHL distribution arm. Administrative efficiency was derived by sub variables such as Internal Systems, Policy and procedures and Training and Development. Organizational performance has been assessed via secondary data analysis related to Key Performance Indicators (KPIs) such as Distribution Expenses, Inventory Variance, Sales Returns and Overtime Cost. Researcher has gathered primary data through questionnaire to assess the administrative efficiency and the secondary data analysis for organizational performances. Then the relationship between administrative efficiency and organizational performances were assessed using correlation analysis in SPSS version 21. Study has revealed the improvements required in terms of Internal Systems, Policies and Procedures, Training and development and technological enhancements since there are positive correlation in each dimension and organization performance. Further it is observed that applying tools such as lean management, six sigma can be improve efficiency level of distribution arm of Sunshine Healthcare Lanka Ltd. The final objective of the research is providing recommendation to enhance administrative efficiency through the overall supply chain improvements at Sunshine Healthcare Lanka Ltd. It generates strong recommendation using these variables. It is further advised to incorporate best practices contrary traditional administrative methods to have higher organizational performance in Sunshine Healthcare Lanka Ltd.