ORGANIZATIONAL STRATEGY AND CULTURE CO-ALIGNMENT, EXTERNAL ENVIRONMENT AND PERFORMANCE OF LARGE PRIVATE HEALTH FACILITIES IN KENYA

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DECLARATION

I, the undersigned, hereby declare that this doctoral thesis embodies the results of my original investigation, solely imputed to me as the author and has not previously in its entirety or in parts been presented to any academic institution for scholastic award.

Signed…… Date 16th November 2020….

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I, the undersigned, certify that this thesis submitted by **MATI ALEXANDER** is a product of his original and individual work.

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DEDICATION

It is to my parents, Francis Mbuba Reuben and Agriphina Ciambuba as well as my late brother, Ephanuel Gitonga Mbuba that this work is dedicated.

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ABBREVIATIONS AND ACRONYMS

BSC	Balanced Score Card
CCA	Canonical Correlation Analysis
CEO	Chief Executive Officer
CV	Coefficient of Variation
HS	Health Sector
HSDG	Health Sustainable Development Goals
IDRC	International Development Research Centre
KHSSP	Kenya Health Sector Strategic Plan
MOH	Ministry of Health
MPDBK	Medical Practitioners and Dentists Board of Kenya
NHIF	National Hospital Insurance Fund
NPMB	Non-Profit Making Bodies
OC	Organizational Culture
OS	Organizational Strategy
SDGs	Sustainable Development Goals
SHI	Social Health Insurance
SMEs	Small and Medium Enterprises
UHC	Universal Health Coverage
USA	United States of America
VIF	Variance Inflation Factor
WHO	World Health Organization

ABSTRACT

While strategy implementation represents one of the ways by which organizations achieve their goals and objectives, strategy alone may not significantly influence performance. It may need to be complemented with culture even as a given organization pays attention to external environment. Unfortunately, the assessment of these complementary effects has received limited attention in the empirical literature. The main objective of this study was to examine the influence of external environment on the relationship between organizational strategy-culture co-alignment and performance of large private health facilities in Kenya. The basic health care is central to poverty reduction in every country. The private sector health facilities complement the efforts of the Kenyan government in enhancing the health of the citizens, hence their performance is critical. The specific objectives that mirror the study hypotheses were to: establish the influence of organizational strategy on performance; examine the influence of organizational culture on performance; ascertain the influence of organizational strategy-culture co-alignment on performance; determine the influence of external environment on the relationship between organizational strategy-culture co-alignment and performance; and probe whether the joint-effect of strategy, culture and external environment on performance is significantly greater than the sum-total of the independent effects of the same individual variables or not. Through a cross-sectional descriptive survey, data from 58 large private health facilities were gathered using a structured questionnaire and analyzed using descriptive statistics, simple and multiple linear regression, canonical correlation and sensitivity analyses. The results revealed that organizational strategy, culture and strategy-culture co-alignment have not statistically significant effects on the performance of the facilities. External environment was found to have no moderating effect on the relationship between strategy-culture co-alignment and performance of the facilities. The results further indicated that the joint effect of strategy, culture and external environment on performance was significantly greater than the sum-total of the independent effects of the same variables. Despite the statistically not significance results exhibited in the case of efficiency, effectiveness and relevance, the high explanatory power of the joint effect of strategy, culture and external environment implies that they are critical components in shaping organizational performance. Conclusively, the facilities do not align their strategies and cultures for the achievement of better performance. The findings contribute to the general body of knowledge and provide a backdrop for further advancement of theory and research on certain strategic orientations. The findings also imply that organizational managers have to scan and monitor environmental developments in order to inform their decision-making appropriately. The study informs the policy makers on the need to set mechanisms that support strategy and culture fit. The study limitations included a wide geographical spread of the facilities and limited generalizability. Based on the limitations of the study, areas for further research have been suggested to address other contexts or using different methodologies and conceptualizations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational performance is recognized in the extant literature as a critical aspect of businesses due to the pertinent position it occupies in shaping the success and survival of an organization in a given marketplace (Aosa, 1992). Performance is a multifaceted concept, thus it is affected by a variety of variables. Generally, an organization is an institution that is deliberately designed to meet a certain goal and objectives (Odhiambo, 2014). To do that meaningfully, management develops a road map that guides not only the activities but also resource allocation. That which is perceived as the road map is what an organizational strategy is according to Bourgeois (1980).

The processes of formulating and executing a strategy are done in according to the values and performance objectives of an organization. Although it is an important aspect in performance enhancement, strategy is not the only factor as performance is shaped by a multiplicity of other factors, for instance, organizational culture (Ping et al., 2011). Organizational culture is an internal factor that influences how an organization interacts with employees and external stakeholders. Beliefs and attitudes are some of the strongest components of organizational culture. The core element of culture is the people, their interactions and how these factors translate into a unique behaviour. Abu-Jarad et al., (2010) underscore that culture represents a potential source of competitive vantage point, which facilitates securing of enhanced performance.

A match between strategy and culture creates interactive synergy that may improve performance. This type of interaction is referred to as co-alignment in well strategized managerial practices (Venkatraman & Prescott, 1990). According to Bouckaert et al., (1999), organizations are in constant interactions with the external environment. The scholars also noted that in varying degrees, environmental factors further affect the performance of organizations. This depends upon particular elements in the environment and how each organization responds to them. In this study, external environment attributes were perceived to either buffer or impinge the synergistic aspect of strategy and culture congruency or on performance.

The key theoretical anchorage for this study was on Configuration theory, formulated by Miller and Friesen (1978) and enhanced by Dess et al., (1993) as well as Mugler (2004). The theory perceives an organization as composed of various factors and that its success depends on concurrently working together of various variables. As a theory, Configuration holds the proposition that for each set of strategic characteristics, there exists an ideal set of organizational characteristics that yield superior performance (Dess, Newport & Rasheed, 1993). This theory formed the basis for understanding the inter connectivity that that esists between the strategy and culture co-alignment in reference to the organizational performance. This study also drew from another theory known as Contingency, formulated by Lawrence and Lorsch, (1967) and enhanced by Carpenter and Golden (1978). It postulates that the achievement of the set goals is dependent on how much of fit there is between contingency variables that constitute the environment and structural characteristics, processes and practices of organizations (Finkelstein & Boyd, 1998).

The two theories were complemented by the cultural dimension's model (Hofstede, 1980). The model explained the underlying cultural value orientations that characterize organizations. This model was important in the enhancement of making clear the linkage that there is between culture and performance.

Large private health facilities which form the unit of this study occupy a prime part in propelling the realization of Universal Health Care (UHC) across Kenya. As far as Kenya is concerned, UHC has always been of utmost priority and it is not a wonder, that it tops the current government regime's newfound development initiative of the Big Four Agenda (Ministry of Health, 2017). The bigger part of the health workforce in Kenya operates in the non-government health sector. This implies that the medical doctors who form 75% and clinical officers and nurses who form 66% render their services in private health facilities (Kenya Healthcare Federation- KHF) (2016).

Unlike in public health sector, private health facilities face fewer matters that lead to overworking by staff, a factor that may lead to stress, strikes by workers and other consequences. Besides, the private facilities in most of the times offer more attractive salaries as well as general motivation to the employees. Notwithstanding these factors, medical specialists in the country are so few that they do not match the so needed services. Therefore, the few medical specialists that there are in Kenya are left with a high bargaining capacity. Therefore, the doctors practicing in private health facilities enjoy higher salaries and other morale-boosting incentives out of the fear of expertise loss (KHF, 2016) than their counter parts operating in public sector.

As a result of this distinct style of operation or culture, the costs of healthcare in private health facilities are usually higher compared to those in public health facilities. This implies that to maintain effective performance, the private health facilities must adopt strategies that match their unique organizational cultures. Further, the strategies must align to the changing times currently being experienced in the Kenyan healthcare sector, such as the aspect of Kenya growing into a middle class economy, stiff competition as well as increasing demand for quality accessible health services (KHF, 2016). Large private health facilities are operational in every part of the country, that is, in rural and urban areas alike; and they serve all categories of people. Their upward trend in performance would enable them open new centers and satellites even in the poorest zones of the country, hence make services available at the grassroot to the poor people. This would go a long way into even creating jobs for so many young people that are jobless today.

Given the current trend in global competition arising from business globalization and technological advancements, large private health facilities are compelled not only to build on available resources, but also focus on long-term customer relationships. They often find themselves in competitive situations where the external environment on which they depend and to which their services are rendered is ever changing. Therefore, shedding light on how strategy-culture co-alignment is moderated by external environment in its relationship with performance of the health facilities in private sector, could serve as a basis for which these organizations can institute appropriate strategic actions and policies that suit their internal and external circumstances.

In the previous studies undertaken in the Kenyan health sector, the researcher had not come across one that had tested this relationship. The past studies evidence that they had addressed either different units of study, industries or diverse other contextualization. This research was thus inspired by a strong desire to fill this gap.

1.1.1 Organizational Strategy

There is little consistency in how organizational strategy is defined (Hofer & Schendel, 1978; Mintzberg, 1994). For instance, to Chandler (1962), strategy is a concerted move towards realization of long-term corporate goals and objectives, through disciplined and coordinated deployment of leveraging resources. The scholar portrayed strategy as involving planning and executing the organizational growth to accomplish long-term objectives. Andrews (1971) added the idea of organizational distinct competencies, mission and business definition. He described strategy as a concrete framework that details the core objectives and plans to be implemented for their successful achievement in a fashion that captures the true capabilities of an organization and future values.

According to Bracker (1980), strategy is a plan devoted to outperform an enemy and usually involves careful deployment and optimal use of resources. As pertains to implementation, Ansoff and McDonell (1990) noted that an effective strategy aligns with the principles, values and internal processes of an organization. In another definition, Aosa (1998) asserted that strategy touches on every angle of a given firm and provides guidelines and direction for the activities of an organization.

As is explicit in the literature reviewed, different scholars present similar and relevant notions about what strategy consists of. They agree that it is a road map through which organizational goal and objectives are realized. Although different typologies are used to describe strategy, a principal dimension of strategy concerns the strategic stance and action (Boyne & Walker, 2004). The former relates to the behavioural aspect in the approach undertaken to match organizational processes with the environmental changes. Every organization has an overall strategy that encompasses different levels within it and this is what is commonly termed as organizational strategy (Johnson & Scholes, 2008). In this study, strategy was operationalized in three key elements: futurity, which denotes making of decisions with future anticipated conditions, particularly those connected to hidden and entrenched opportunities and threats (Miles, Snow & Meyer 1978); proactivity, which implies taking advance actions due to opportunities or pending threats; and analytic approach, where managers focus on efficiency and effectiveness, while minimizing risks and maximizing opportunities (Miles & Snow, 2003).

1.1.2 Organizational Culture

As per the current times, there is no general agreement on the understanding of organizational culture that emanates from diverse conceptualizations about what it represents. For instance, Hofstede (1980) conceived it as, “the collective programming of the human mind that distinguishes the members in one human group from another.” (p. 21). Eroglu (2007) noted that culture represents all the information, customs and beliefs that are established by the overarching societal mechanisms and imparted to an individual.

Kreitner and Kinicki (2008) suggested that culture entails a series of implied assumptions shared by individuals of a particular social unit, which molds how they perceive and respond to incidences or developments that happen in their surroundings. Along the same line of thought, Bozkurt (2010) contended that culture is a man-made phenomenon, devised primarily as a reaction to events forged by nature (Bozkurt, 2010). According to Mohamed and Ruth (2016), culture reflects the singularity of any organization, thus plays a pivotal role in dictating both the current and future profiles of the same.

The inconsistency in the meaning of the cultural concept is mirrored in its varied conceptualizations that have been advanced in studies by Hofstede (1980); Cole (2005); Ubuis and Alas (2009); Polat and Meyda (2011); Dave and Gabriealla (2015); as well as Sandro (2016). According to Cole (2005), organizational culture is the collective amount of values, philosophies, strategies, visions, attitudes and ideal practices, all of which are typical to a specific organization. To Ubius and Alas (2009), it entails the set of fundamental values, assumptions and strategies that drive the course of an organization. Polat and Meyda (2011) asserts that each organization has its own unique culture and that the uniqueness arises from the differences in the business settings in which the firm operates, the level of inputs used in generation of goods/services and the underlying nature of services offered. Dave and Gabriella (2015) defined culture as a modality of accumulated ideologies, vision as well as interests shared, all of which feature as a commonality in members of a group embedded in an organization. These core elements have substantial impact on the behaviour of the members and are attributed to the production of distinct norms within an organization.

Sandro (2016) conceptualized organizational culture as a mutual awareness of being and reasoning that drives individuals tied by reciprocal expectations to pursue collective actions towards accomplishment of organizational goals. The different definitions reveal that organizational culture is not a static phenomenon as it is often shaped by the evolving demands and contexts of a given unit of people. In order to be competitive, amendments associated with strategies must also fit the culture of the organization (Aksoyturk, 2008).

Hofstede (2011) presented a multidimensional conceptualization of organizational culture as encompassing different orientations that are opposed to one another. These are: Process against Results culture; Tight against Loose control; Job versus Employee-oriented; Professional against Parochial; Open against Closed systems; and Pragmatic against Normative. The dimensions of culture adopted in this study are four, namely: Process, which refers to the technical and bureaucratic routines and common concerns for outcomes; Job orientation, which denotes effort put in place to deal with unprecedented turn of events in the future; Profession, which concerns specialization in the field of work; and Pragmatics, which concerns rigidity or flexibility in operations.

1.1.3 Co-alignment of Variables

Co-alignment has been described in various terms. These include: congruency, consistency and fit; although with no attempt to delineate the precise recommendations of measuring these terms empirically (Venkatraman, 1990; Kiliko, 2015). Co-alignment as a dynamic feature seeks to align two constructs that are understood in terms of their pair-wise interaction (Aitken & Todeva, 2011).

A notion that is similar to co-alignment is configuration, which is said to have a higher predictive implication on performance than the independent effects of individual variables (Bagire, 2012). Co-alignment has the same predictive notion, where distinct concepts are matched or 'fitted' to explain performance (Ping et al., 2011). Venkatraman and Prescott (1990) asserted that the co-alignment notion may be understood from three perspectives. The first one is the reductionist perspective, which views different variables as one-dimensional reality. In this case, co-alignment is a set of bivariate linkages involving multiple variables (Venkatraman, 1990).

On the other hand is the holistic perspective that stresses the systemic nature of co-alignment, where the variables of interest retain their distinct characteristics. Venkatraman and Prescott (1990) also argued that co-alignment can also be viewed from an interactive perspective, where interaction between two variables predicts a third variable. The study embraced the holistic perspective, because it retains the whole nature of the construct and besides, its flexibility in allowing for variance of theoretical conceptions is there. Based on this perspective, organizational strategy and culture were interacted. Therefore, strategy-culture co-alignment implied that an organization whose strategy and culture are holistically interacted establishes synergy which would explain performance better than one in which a variable is acted upon independently.

1.1.4 External Environment

The subject of external environment and its connectedness to business performance has drawn considerable scholarly attention. Generally, it reflects the micro as well as the macro-level factors that shape internal processes of an organization (Covin, Green & Slevin, 2006). The macro environmental factors include social, cultural, legal, economic, political, industry and technological factors. It also includes market places, world financial conditions and governmental circumstances (Bouckaert, et al., 1999).

At the micro-level, the principal factors consist of labour markets, suppliers, customers, creditors and trade unions. There is also another set of factors relating to the industrial setting of an organization, which consists of threats from new competitors, substitute goods or services and the increasing bargaining capacity of suppliers and customers. These factors are beyond the control of every specific organization (Johnson et al., 2008). An organization can only adopt them in the most efficient way possible. Scanning and analyzing external environment is crucial even in strategic planning processes.

The dynamics between external environment and performance has been subjected to extensive empirical scrutiny in the recent past (Machuki, 2011). The external environment is perceived to cause constraints and inflict pressure even as it presents opportunities, all of which ultimately shape the profit-maximizing behaviour of organizations. Although external environment accounts for variation in organizational performance, its exact linkage with performance remains contested (Machuki & Aosa, 2011).

There are different views given by scholars on the linkages between the two factors. Constant and unprecedented changes in the external environment provide an impetus for organizations to respond in a quick and effective fashion. This is done with the strategic intent of attaining long-term competitiveness through strategic realignment of their internal resources, capabilities and core competencies (Aosa, 1998).

When changes occur in the external environment, organizations experience unfamiliar circumstances and situations. In these scenarios, they have no alternative but to integrate change and try to adapt to the new environment for survival in business (Aosa, 1998). This change may include co-aligning strategy and culture to bring about a synergistic aspect that may explain organizational performance. The study in question conceptualized the external environment as composed of a number of dimensions. First, dynamism, which denotes the rate of change, innovativeness, uncertainty and unpredictability of the action of customers and competitors within an industry (Miles & Friesen, 1978); second is munificence, which describes how abundant or scarce the stocks of resources for organizations are in their sources (Santos & Eisenhardt, 2009); third is complexity, which denotes the degree of environmental factors together with their heterogeneity (Corbos, 2012).

1.1.5 Organizational Performance

As a concept, performance of an organization is pertinent in the effort to capture the effects of different business strategies, particularly in strategic management research. There is a rich variety of distinct approaches to the conceptualization of performance. However, a unified scholarly view of the concept is still lacking. For instance, McCann (2004) posits that performance relates to the effectiveness and efficiency of a firm.

Hubbard (2009) perceives performance as a yardstick of how effective mechanisms have been in facilitating the attainment of a set of pre-specified objectives. In terms of business, this alludes to how satisfactorily an organization is run, as well as, the superiority of value created and delivered to different stakeholders. It is the accumulated end-result of all the work-processes and activities of an organization.

According to the resource-based conception, performance is viewed as how efficiently organizations make use of the available resources and core strengths to enhance their competitiveness (King & Zeithaml, 2001). McCann (2004) posit that performance relates to the overall effectiveness in its systems and operations. These are those that are designed to serve the customer needs and interests of the shareholders. It is therefore imperative for managers to have a clear-cut understanding of the key factors that shape performance of their organizations (Abu-Jarad et al., 2010). Owing to fragmented performance conceptualization, an integrative approach for its measurement has also been unfeasible (Rogers & Blenko, 2006). For instance, Kaplan and Norton (1992) came up with a measurement tool that is known as Balanced Score Card (BSC)..

The tool measures performance from a number of perspectives, namely: financial position, client centricity, internal processes as well as learning and growth. Venkatraman (2012) also postulated that organizational performance can be assessed from three aspects: financial, operational and effectiveness. In an effort to help organizations assess their performance, the International Development Research Center (IDRC) (2012) conceptualized organizational performance as a multidimensional construct, comprising of measurement dimensions. These are: Effectiveness, which is conceptualized as the range at which an organization utilizes its resources and capabilities to achieve the mission and realize the set goal; Efficiency, delineated as the strength of organizations to offer excellent services in an economical way; Relevance, described as the ability of organizations to evolve, reshape and develop in a manner that consolidates their strengths; and Financial viability; conceived as the capacity of organizations to survive, such that the inflow of financial resources remains much higher than the outflow.

This study focused on the ramifications of strategy-culture fit, where performance measurement indicators were based on the IDRC conceptualization and operationalization. Performance of the large private health facilities was thus based on the four aspects: operational efficiency, which depicts delivery of quality service; relevance, which implies appropriateness and connectedness to the needs of the people; effectiveness, which denotes realization of needed results; and financial viability.

1.1.6. Large Private Health Facilities in Kenya

The Sustainable Development Goals (SDGs) indicate that health care is extremely important in poverty reduction globally (World Health Organization, 2011). This makes the health of the citizens in every country very crucial. The Kenyan government is devoted to meeting the goal of UHC by 2022. This aspect is as witnessed by the increasing number of health reforms in the recent past (Government of Kenya, 2012). This is as a means to realizing the highest standard of right to health care services provided for in the Kenyan Constitution, Article 43. This reform is meant to guarantee access to life-saving health services to individuals and families, hence avoidance of poverty trap (Ministry of health, 2017). In order to achieve UHC objectives, the government has started to implement several interventions, which include scaling up of National Hospital Insurance Fund (NHIF) coverage, aligning NHIF Act to UHC and other health related projects, in line with the global health agenda. Vision 2030, the Country's road map to a middle-level income economy prioritizes health as a major component of the social pillar (KHSSP, 2012).

Notwithstanding the efforts of the Government, there are myriads of challenges hindering delivery of universal health care. These include: lack of clear legal framework on computation of the cost of treatment and medicines which would curb the exploitation of patients; the health care value-chain actors which include hospitals, pharmacies and drug suppliers not being effectively regulated regarding the cost of consultation, medical procedures and drugs. Coupled with this is also indecency witnessed in health sector where consistency and truthfulness in processes are lacking (Barasa et al., 2017).

The measure of prosperity and quality of life in Kenya, just like in any other country, can be indicated by the number and quality of health facilities within it (KHSSP, 2012). Performance of private health facilities is consequently important. Their upward trend in performance would enable the facilities open new centers and satellites at the grassroot levels so as to reach and help more poor people. This would further go along way into creating jobs for so many young people that are jobless. Performance would also enable creation of good names for the facilities, spring from good mouthing done by the clients who consume their products and services. This scenario renders the contribution of private health facilities extremely important since they complement the effort of the government in enhancing the health of the Kenya citizens.

The health facilities are locations where healthcare is provided. They include dispensaries, health centers, clinics, nursing and maternity homes, medium and large hospitals of all levels. The Medical Practitioners and Dentist Board of Kenya (MPDBK) is charged with the responsibility of licensing these facilities. They may be operated by private proprietors, profit or non-profit making bodies (NPMB) including religious organizations.

There is no formal categorization of the size of the private health facilities in Kenya. However, the size of a facility is dependent on the employee's count and/or bed capacity utilization (Aosa, 1992). In this study, capacity was used to determine the size of a facility. Only those with a bed capacity of One hundred and above were considered large (WHO, 2011).

The sum-total of the facilities of interest by (2018) when the study was conducted stood at Sixty-One, all of which formed the study population. Majority of these hospitals are situated in Nairobi County. The study excluded the government-sponsored health facilities, which are in their own cadre. Due to stiff competition rendered by influx of different other actors in the industry, performance in these facilities is critical.

The departing point for this scholarly work was that the moderating factor of external environment between the analytically determined strategy-culture dynamics and the criterion variable could explain changes in the performance of the health facilities. This conceptualization, referred to as co-alignment, is where holistic interaction of two independent variables was perceived to have an impact on the third variable (Venkatraman, 1990). The influence of organizational strategy-culture co-alignment on performance was tested in this study. The results on performance variable were observed.

1.2. Research Problem

The concepts of organizational strategy, culture and performance have been found to interact in a manner that reflects the performance of structure-conduct framework of industrial organization economics. The underlying principle of this interaction is that the organization operates in an environment (market structure) that shapes its strategic behaviour (conduct), which in turn determines its performance. Empirical studies of this linkage have adduced evidence to support the view that organizations which are able to appropriately and adequately react to turbulence in the environment by way of instituting appropriate strategies report positive performance (Venkatraman and Prescott, 1990).

Additionally, as organizations purpose to keep pace with the demands of the external environment, they must consider how their strategic focus align with organizational cultures because such strategic fit has a great bearing on their effort to be successful (Moore, Kizer & Jeon, 2011; Armarjeev, 2018; and Kaul, 2019). The environment in which large private health facilities in Kenya operate is characterized by complexity and turbulence. Complexity arises even from the high level of regulations by the Ministry of health. Further, there are various stakeholders that the private hospitals must deal with, such as the potential patients, medical suppliers and insurance companies.

On the other hand, turbulence results from the ever-evolving medical technologies and growing number of demands from the customers (World Bank, 2010). The continued existence of these factors in the external environment makes it imperative for the health facilities to implement appropriate strategic behaviour. How fitting the strategic behaviour is to their unique culture is expected to have implications in their performance.

While there exists evidence in the past literature as pertains studies done on the predictor variables in this study in relation to performance, in most cases, the variables have been studied in isolation or in some combinations. For instance, Zhao, Teng and Wu (2018) found a negative link between organizational culture and the performance of Chinese companies. Kwon, Yoon and Hwang (2011) observed a positive impact of external environmental factors on the performance of Korean nursing home facilities. Khan and Huda (2016) established a positive impact of strategy execution and performance outcomes of tertiary hospitals in Pakistan.

A study in a Kenyan context conducted by Omari et al., (2016) found that adoption of competitive strategies was positively associated with performance of private hospitals in Kisii County. Exploration of the extant literature revealed some gaps in knowledge whose address is the task of the current study. First, despite the fact that there is evidence supporting the performance implications of strategy and culture, the degree of co-alignment of the two variables, which results into optimal performance is still unresolved. Second, while it is apparent that environmental changes influence organizational performance, it is not clear how external environment affects the impacts of strategy-culture co-alignment given that it is of pertinent concern to any organization.

Literature demonstrates that studies pertaining to performance and what may buffer or impinge its outcomes have been studied in different contexts. For instance, Khoshtaria (2018) focused on US-based manufacturing companies; Zhao et al. (2018) on Chinese companies; Noh et al. (2011) on Korean nursing facilities; Khan and Huda (2016) on Pakistani tertiary hospitals and Omari et al. (2016) on private hospitals in Kisii County. While a substantial amount of studies have been carried out in organizations operating in diverse geographical contexts such as USA, China, Korea and Pakistan, the findings and conclusions may not be extended to large private health facilities operating in the Kenyan context because of its unique manifestations in terms of literacy and poverty levels, economic, demography and even political aspects among others. Further, the scholar did not identify a similar work in the literature, focusing on the unit and variables that are addressed in the current study.

Following the evidence presented by literature reviewed, there are still matters that need some resolution along the conceptual and contextual realms in the interactive relationship among the variables in this work. The study advanced a conceptualization that focused on organizational strategy, culture and strategy-culture co-alignment as predictor variables. The organizational criterion performance variable served as the dependent variable. While advancing co-alignment conceptualization, previous scholars had treated external environment as an independent variable (Machuki, 2011).

Studying supply chain strategies and knowledge outcome co-alignment and performance, Aitken and Todeva (2011) established that there is impact springing from the synergistic effect of co-aligned variables on performance. However, the scholar did not specify the causal modality of interaction. In the current study, external environment was viewed as providing the moderation factor between the predictor and the criterion variables. The researcher hardly came across a similar or even near similar scholarly work that had considered the five variables in the extant literature, particularly in the unit of the current study. Consequently, the task of the study is to provide answers to the gaps established by answering to One main question: What is the external environmental moderating effect on the linkage between strategy and culture fit and performance of large private health facilities in a Kenyan context?

1.3 Research Objectives

The overall objective in this work was to probe the moderating effect of external environment on the linkage between strategy and culture congruency and performance of large private health facilities in a Kenyan scenario. The specific objectives were to:

i. Determine the effect of organizational strategy on performance
ii. Establish the effect of culture on organizational performance
iii. Examine the effect of strategy-culture co-alignment on organizational performance
iv. Establish the influence of external environment on the relationship between organizational strategy-culture co-alignment and performance
v. Probe whether the joint effect of organizational strategy, culture and external environment is significantly greater than the sum-total of the independent effects of individual variables on organizational performance

1.4 Value of the Study

The merit of embarking on this work was three-fold: theory building, policy making and managerial practices. The results of the inquiry add more substance to the theoretical discussions and existing knowledge surrounding the interrelationships between strategy, culture and organizational performance. The synergistic aspect of interacted constructs particularly extends the frontiers of the strategic management knowledge**.** This study also makes significant contribution in conceptual and empirical dimensions. The study conceptually relates the variables of interest with the use of variable congruency as the theoretical embedded aspect. It further provides a framework for relating co-alignment model with organizational performance in the conceptual dimension.

The insights generated in this work shed light on areas of impact to the already existing body of knowledge. Although the study focused on large private health facilities, the findings add value to the existing national policy tools that guide the health sector. This contributes positively towards realization of the UHC by 2022 and HSDG vision 2030. This factor leads to drastic reduction of poverty levels in Kenya. Different forms of organizational management that formulate strategies and policies will greatly reap from this study as pertains the best cultural practices that go along way into enhancing their performance.

This study proves beyond doubts that strategic manifestations positively impact on performance in the private health facilities. Different sector organizations are bound to reap from this work in as much as it shapes their internal functions that guide their decision-making processes to ensure that they attain the set goals and objectives. The study proves that business environment matters to organizations. The insights produced in this study are useful to managers, particularly in fostering their understanding of why it is important to align their organizations to the surrounding circumstances and reap maximally from the opportunities that come forth. Furthermore, the study supports organizations in understand how to not only better their performance by taking into account of the variables of interest but also how to create sustainable competitive advantages. Additionally, managerial practices in health facilities may be shaped by the outcome of this study.

All levels of health facilities may use the study results in their practices to improve their competitive advantages performance outcomes. Moreover, organizational managers and entrepreneurs may enhance performance by adopting the strategy-culture nexus that this study illuminates. A key factor in creation of health units is to create a possibility of providing services to the needy as required. This would in turn improve lives and economic well-being of the citizens Therefore, appropriate end-results of these organizations is critical.

The study findings demonstrate that key issues considered at policy level would enhance implementation of organizational strategy, purify the culture and make strategic decisions that enable attainment of organizational goals. At policy level, facilities are expected to benefit from the insights emerging from this work, whereby they are able to make guidelines that favour performance of their organizations. This is bound to stimulate private health facilities to adopt the required cultures that fit well with strategies even as they consider the implications of the surrounding environment. Additionally, the findings are expected to assist the private health facilities in formulating policies that support the acquisition of the appropriate managers and constitution of appropriate boards of directors, whose combination is able to realize the set performance goals and objectives. The Medical Practitioners and Dentist Board that registers health facilities may also consider developing uniform guidelines and policies that govern facility management.

1.5 Organization of the Study

This first chapter has provided a general overview of the unit of study. The chapter is devoted to offering detailed background knowledge associated with the variables of interest. The chapter also focuses on offering a broad context of large private health facilities in Kenya. The emerging research problem to be addressed, the objectives to be accomplished and the significance of embarking on this study are also highlighted.

Chapter two seeks to provide a summary of what is known, as reflected in the literature review and identifies the gaps in knowledge that the study labours to bridge. The chapter reviews various theoretical perspectives in management literature and establishes how each theory is linked to the relationships examined in the study. The chapter also examines various studies that have addressed the relationships between the variables of interest.

Chapter three is intended to elaborate on the methodology implemented in the course of conducting this investigation. It focuses on the philosophical anchorage, the research design, the population of interest and the techniques invoked in gathering and analyzing data. Chapter four focuses on preliminary findings pertaining to the manifestation of the study variables. These findings include the response rate of the study, inferential and descriptive statistics. Chapter five presents the findings on the inferential statistics used to evaluate the study objectives. Each objective was assessed using a specific inferential statistical tool as appropriate.

In chapter six, the findings are interpreted and their relation to the results of the previous studies highlighted. Lastly, chapter seven is dedicated to presenting a concise summary of the principal findings, their implications and recommendations to different stakeholders. The study limitations and proposed areas for further research are addressed in the same chapter.

1.6 Chapter Summary

In this first chapter, the study focus was introduced. Details of the background and study rationale were addressed. The chapter started off by highlighting the conceptual and contextual premises of the present investigation. This was subsequently followed by exposition of the problem to be addressed, the objectives and the vitality of the permeating insights to be derived from the findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The intended goal in this chapter is to thoroughly document and critically analyze the state of knowledge as at the present time, regarding the linkage between organizational strategy, culture, external environment and performance. To accomplish this lofty objective, the researcher structured it into a series of sections. Addressed in the first section are the mechanisms that underlie the influence established by interaction of the predictor variables on the criterion variable, by considering major theoretical frameworks that shed light on the linkages between the variables. The main propositions of these theories are reviewed and their connections to the core objectives of the study proposed. Next, the empirical evidence of the interrelationships among the variables is presented and subsequently integrated through identification of the unresolved emergent issues. Finally, conclusions are drawn by establishing a conceptual model that depicts interconnections and relationships between and among the variables.

2.2 Theoretical Foundations of the Study

In the past, various theories that have shaped conceptualization of different studies have been developed. This study is mainly anchored on Configuration theory formalized by Miller and Friezen (1978). This theory explains relationships between strategy-culture co-alignment and performance. Further anchorage was sought from Contingency theory, whose foundations are the conceptualizations by Lawrence and Lorsch (1967).

Contingency theory explains relationships between the strategy-culture co-alignment and external environment. These theories are limited in their scope. Therefore, more anchorage was sought from cultural dimensions model postulated by Hofstede (2011). Conceptualization advanced for this study is premised on how each theory guides the study and the light it sheds on it.

2.2.1 Configuration Theory

Configuration theory, whose postulations are by Miller and Friesen (1978), is the major anchorage of the study. According to this theory, the overall success of an organization is as a result of strong interaction of a wide variety of constructs. This perspective is particularly ideal in elucidating the interconnectedness of several domains that are intertwined and act concurrently, resulting to new conceptual models. The theory represents definite and unrelated attributes that offer greater value in collective terms than singly and presents a comprehensive portrayal of the entire organizational performance without necessarily ascribing the success to a specific and singular factor (Dyck, 1997).

Configuration theory displaced the Contingency theory as the key perspective in the literature on change in the 1980s (Miller & Friesen, 1978). Although it has its roots in contingency theory in sharing a functionalist point of view and an emphasis on the notion of variable 'congruency' of "fit,' the configurational perspective is significantly different.

According to Meyer et al., (1993), while contingency analysis adopts an essentially reductionist mode of inquiry, configurational analysis is synthetic: “Rather than trying to explain how order is designed into the parts of an organization, configurational theorists try to explain how order emerges from the interaction of those parts as a whole” (p. 1178). The central idea is that strategies, structures and processes should be considered holistically, rather than variable-by-variable.

The basic assumption underlying configuration is that among the almost unlimited number of permutations of organizational and situational variables, only a few will be predictively useful. This is because dysfunctional permutations are selected out and organizational factors that are interdependent and coherent are considered (Miller, 1981). Mintzberg (1979) describes this in terms of three hypotheses regarding successful configurations. First, an effective organizational structure requires a close fit between situational factors and structural design parameters. Second, the design parameters must be internally consistent. Third, combining the first two hypotheses, successful configurations achieve consistency among both design parameters and situational factors.

Configuration theory enables scholars to explicate how inherently multidimensional entities are correlated and strengthens each other in processes and functions (Dess & Newport, 1993). In the context of configuration theory, strategic fit connotes that the causal relationships between the constructs are not necessarily unidirectional. Rather, the focus is on the interrelationships between different constructs and the need for their alignment.

In diverse ways, the theory continues to be impactive in different organizational functionalities. Since the 1990s, it has been applied to the study of radical organizational changes in different sectors, such as health (Denis et al., 1996; Meyer, Goes, & Brooks, 1990); architecture (Pinnington & Morris, 2002); municipal government (Greenwood & Hinings, 1993); and the cement industry (Keck & Tushman, 1993).

Some authors have extended the use configuration theory to the study of radical changes at the industry level (Meyer et al., 1990). Whittington and Pettigrew (2003) proposed the use of Milgrom and Roberts's (1990) economic theory of complementarities, which provides the operational means for measuring the benefits of holistic configurations. Given that Configuration theory informs assessments of external and internal fit, this study conceptualized internal fit as the alignment between organizational strategy and culture and observing the results in the criterion performance variable. Therefore, consistent with the precepts of the theory, organizations that scan their environment in order to align their strategy and culture exhibit more performance implications than those that do not. This theory was thus useful in explaining the link between strategy-culture fit and organizational performance. Configuration theory has been criticized for its lack of presentability in a manner that can be measurable and testable statistically (Dyck, 1997). Most studies done within the purview of configuration perspective identify the changes that occurred and when but not how these changes were realized. For instance, Virany et al., 1992; and Romanelli & Tushman, (1994) do not analyze the processes and procedures of convergence and revolution in a way that is statistically verifiable within the organization.

Further, the theory does not elaborate on how to operationalize configuration in a manner that allows for meaningful empirical testing. As highlighted by Fiss et al., (2013), configuration theory has been held back by a mismatch in theoretical discussions and empirical methods. This implies that the theory is difficult to test empirically. Therefore, advances in the configuration perspective had to be as much methodological as theoretical.

2.2.2 Contingency Theory

The establishment of contingency theoretical stance as a distinct body of thought is attributed to Lawrence and Lorsch (1967). Contingency theorists propose that the success or failure of a given organizational characteristics depends on the contingencies that reflect the situation of the organization (Donaldson, 2001). Thus, contingency theory argues for a trivariate relationship between contingency, organizational characteristic and performance. At an abstract level, the theory considers that the effect of one variable (organizational characteristic) on another variable (organizational performance) is contingent on a third variable (contingency) (Mile & Snow, 2003).

Therefore, there is no single best way to manage organizations as far as contingency theory postulations are concerned. The best approach depends on the contingency factors. According to this view, therefore, a perfect way to develop organizational structures is non-existent and that the ideal mode of operation is hinged on the environmental factors of a given business scenario (Carpenter & Golden, 1997).

Just like other strategic management theories, Contingency theory assumes some characteristics. In the first instance, it firmly holds reductionism as its dominant method of inquiry where the scholar gets into the understanding of the behaviour of an entity by analyzing its constituent parts separately (Meyer et al., 1993). Thus, contingency proponents champion for linear relationships involving isolated univariate causation (Guttler, 2009). The focus of contingency propositions is on how individual contextual factors affect organizational performance independently (Venkatraman & Prescott, 1985).

Further, according to contingency theory, co-alignment of two or more variables is interpreted as a deterministic relationship between or among them; that is, the surrounding circumstances are thought to largely determine the organizational modalities needed to ensure performance realization (Vliyath & Srinivasan, 1995). For instance, contingency theory postulates that strategy determines organizational structures (Donaldson, 1996). Thus, organizations are said to be incrementally adapting to their environmental turbulrnce (Donaldson, 2006).

There are criticisms in connection to the contingency theory. The first criticism pertains to reductionism aspect. Even among proponents of the contingency theory, discussions and debates emerged on whether only independent relationships between single contextual factors and structural dimensions exist or multiple factors interdependently influence the fit between environments and organizations (Guttler, 2009). The second stream of criticism points out that there are fundamental shortcomings associated with the assumptions of the theory.

For instance, Pennings (1975) observed that the contingency reasoning of the theory was problematic, particularly in respect to the causal link involving business environment, structure and effectiveness. In the same light, Schoonhoven (1981) noted that the assumptions of the theory lacked clarity. Despite the fact that it is agreeable among most scholars that the central suppositions of contingency perspective are sound, critics have argued that it suffers from methodological limitations. This is demonstrable even in the previous studies by Aldrich (1972) and Cullen et al., (1986), who assessed the relationship between production-related technologies, formalized structures and performance. Other scholars including Miller (1981); and Tushman and Romanelli (1985) hold that the contingency theory has deterministic assumption that are too simplistic. They argue that organizations become what they are because of the environment and choices made by managers. As a consequence, configuration theory emerged in the 1970s and 1980s (Snow et al., 2006). Ferreira and Otley (2010) pointed out that studies utilizing contingency theory suffer from methodological and theoretical weaknesses, such as too few variables and a possibility of measurement errors that lead to inaccurate, un-replicable and unreliable results.

Notwithstanding the limitations inherent in the contingency theory, its postulations are very key as they shed light on the understanding of the relationships that there are, among variables of interest and performance of organizations in the face of extreme dynamism coupled with complexity. In the current study, relationships among the five study variables were explained by Contingency theory, which supported the tenets of the key study anchorage theory, explained as Configuration theory.

2.2.3 Cultural Dimensions Model

Due to insufficiency of the key study anchorage theories, more support was sought from Cultural Dimensions Model postulated by Hofstede (1980). He defines culture as the common mind-set that differentiates members of one group of people or an organization from others. His cultural dimensions model is widely used in literature. In a classic study of ten organizations in the Netherlands and Denmark, Hofstede (1980) identified six dimensions along which cultures of different companies can be compared. These six dimensions measure employees' perceptions regarding the degree to which they enact the different orientations of the various dimensions in their practices.

The first dimension describes whether a given workplace is more concerned with processes (process-oriented) or with outcomes (results-oriented). The second dimension measures whether an organization focuses predominantly on its staff. The third dimension refers to different sources of members' identity: parochial implies those employees whose identity is mostly drown from the organization they work for, while professional denotes employees that are known by the tasks they perform. The fourth category distinguishes between open and closed systems regarding communication habits in a company. The fifth dimension captures the amount of control mechanisms and internal structures in place. The sixth dimension measures an organization's orientation towards its customers. Different dimensions shape not only the thinking and behaviour of people, but also how decisions are made. They also define different ways of dealing with different aspects of organizational functions and processes.

As such, the six cultural attributes proposed by Hostede are very key in this study. As far as the model is concerned, the concept of culture is not only applicable in reference to ethnic groups and tribes but also in national, zonal, regional, organizational as well as professional domains among others (Hofstede, 2011). It therefore fits in a study of health facilities. According to Douglas (1982), culture is firmly rooted in human interactions.

The work of Hofstede (1980) has faced criticism from different scholars. For instance, Schwartz (1999) alluded that the survey method utilized by Hofstede was not appropriate for determining and assessing cultural differences. Another criticism was put forward by Redpath (1997), who asserted that the model assumes domestic population as being characterized by cultural homogeneity. In the same light, Olie (1995) argued that the model assumed that information about one company could possibly be extrapolated to represent the cultural system of a country. The model plays a pivotal role in shedding light on the culture-performance linkages. It shows that organizational culture (internal factor) is key in determining the output of an organization. It is because of the significance of Cultural dimensions model that organizational culture ought to be considered in any effort toward strategic planning. Therefore, the model complements the Configuration and Contingency theories in highlighting the importance of internal attributes of an organization in improving performance.

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2.3 Organizational Strategy and Performance

Various scholars have conceptualized strategy as a roadmap that directs organizational processes and functions. It gives direction for the execution of activities and resource allocation (Kiliko, 2015; Johnson & Scholes, 1993). Different variables contribute to overall organizational performance. Interaction of two or more variables might bring forth a synergistic aspect that would likely explain performance (Venkatraman & Prescott, 1990). According to co-alignment studies done in the past, strategy has been matched with various other variables (Macharia, 2014).

In this study, co-aligned variables are organizational strategy and culture. The holistic interaction of these two variables might positively impact on a third variable, which may translate into performance enhancement. Both strategy and culture are dynamic phenomena. This dynamism is necessitated by environmental realities (Dave & Gabriella, 2015). As changes occur, managers may seek to re-align various variables to enhance performance. Contingency theory enables managers interact various constructs within organizations and align them with external environment to enhance overall performance. This study proposed that organizational strategy and culture co-alignment could create synergy, a factor that missed in the reviewed literature. This synergy might relate positively with performance of a given organization.

In the effort of exploring the potential linkage between strategy and performance outcomes, various studies have been carried out in the past. Khan and Huda (2016) sought to unravel how exaction of strategic management procedures and practices impact on performance by drawing evidence from selected Pakistani tertiary hospitals. The study was premised on a sample of 30 staff members. The results derived from the analysis of the collected data revealed an affirmative link pertaining strategic practices' execution and the overall outcome of operations in the hospitals. A review of this study highlighted key conceptual and contextual concerns. A salient conceptual problem emerged in regard to the use of an insufficiently defined measure of strategic management. In particular, the study relied on a one-dimensional conceptualization of strategic management. A limited one-dimensional view of strategic management may have dampened the holistic conception of the implications of strategy on performance outcomes.

In addition, the results were applicable primarily to the context of Pakistan. As a result, the insights generated from the inquiry may not be generalized in cross-country contexts. Notwithstanding these limitations, the findings enriched the current knowledge base surrounding the linkage between strategy and performance. In another study, Khoshtaria (2018) embarked on assessing how strategic planning and execution affects performance using manufacturing companies in Georgia-USA, as a reference point. The study conceptualized strategic planning as a one-dimensional construct, encompassing rational planning. Strategy implementation was also conceptualized as a single dimensional construct entailing the degree of planning in the implementation.

Besides, organizational performance was conceptualized as a multidimensional variable, which included objective fulfillment and relative competitive performance. A major limitation of the study was failure to recognize that strategic planning and implementation are essentially multidimensional constructs. Therefore, the results of the study may not have demonstrated better the magnitude of the influence of each of the variables on performance. In addition, despite the merits of the study, the author did not have a clear research design upon which it was premised. Moreover, the findings of the study reflected the actions or behaviour of a specific domain: manufacturing companies. As such, the generalizability of the conclusions to other organizational contexts such as private health facilities was limited.

Katsavamutima and Jeevananda (2012) embarked on a descriptive survey study where they assessed how formulating and executing strategies shape the performance outcomes of food processing companies based in Zimbabwe. Strategy formulation constituted a single-dimensional-phenomenon in assessing the extent of rationality in firm performance. On the other hand, strategy was conceptualized into a planned and prioritized option. While examining a sample of 150 chief executive officers of various food manufacturing companies in Zimbabwe, the scholars established that strategy formulation and implementation enhanced performance of the firms. Although the study was instrumental in contributing to the knowledge on organizational strategy and performance, it was marked by some shortcomings.

Firstly, the unit of study was manufacturing industries, which may have curtailed the generalizability of the conclusions to a diverse range of industrial contexts. Secondly, the study was conducted in Zimbabwe. In light of globalized markets, organizations from different countries may perform better in diverse contexts. The focus on Zimbabwe thus left some knowledge gaps in connection to the linkage between strategy and performance in other countries.

A descriptive research study by Osman (2017) endeavored to uncover the role of strategy execution in the performance of Kenyan-based private security companies. The study conceptualized strategy implementation as a multidimensional construct, comprising of: structure, resources, leadership, information, communication and technology. With a sample of employees and supervisors from 54 private security firms in Kenya, it was found that strategy execution related positively to performance outcomes. Despite the contributory aspect of the study in facilitating the understanding of the linkage between strategy and performance, it primarily dealt with private security companies. Due to differences in the industries, the study result outcomes may not be in tandem with the Kenyan private health facilities. Besides, the unit of study was also different.

Another study by Omari, Matwere and Ogeto (2016) focused on investigating whether private hospitals situated in Kisii County had their performance shaped by the competitive strategies embraced by the facilities. The scholars defined competitive strategies as multidimensional constructs, which included cost-leadership, differentiation and focused on strategic orientations.

The scholars sourced data from a sample of 426 administrators from all the 16 private hospitals in Kisii County. The results derived from the analysis of the data demonstrated an affirmative interactive relationship of strategies and performance outcomes of the facilities. The conclusions generated in this study may have been substantially constrained by the utilization of a simple analytic method - correlation analysis, in examining relationships among variables. The use of more rigorous data analytic tools such as multiple linear regressions would have provided more robust findings. Moreover, the study was conducted on a small-scale level, where only one county (Kisii) in Kenya was considered. The focus on a single county created knowledge gaps about the linkage between strategy and performance of facilities operating in other counties.

Given the extant literature presented in the study, it is apparent that evidence for positive effects of strategy is rather strong. However, much is left unknown about how organizational strategy may influence performance of private health facilities. It is against this background that this research work was directed towards addressing this gap. This study conceptualized that organizational strategy and culture co-alignment could create synergy which might impact positively on performance. This is a factor that is missing in extant literature.

2.4 Organizational Culture and Performance

Culture within an organizational scenario implies the routine of operations and practices that ultimately contribute to distinct characteristics (Hofstede, 2011). Buku et al., (2015) argue that culture determines the overall strength of an organization. The scholars theorize that there are several core elements that constitute the fundamental nature of culture, all of which affect performance. When culture is co-aligned with strategy, performance results may be of superior character. It is theorized that organizational culture positively contributes to the long-term effectiveness on performance (Urbius & Alas, 2009). Culture is constitutive of organizational actions, which are attuned to the interests of the stakeholders in an organization (Swedlow, 1994). Cultural dimensions model enables management to approach employees' behaviour from various perspectives (Hofstede, 2011). Co-aligning culture and strategy may exert notable effects on performance outcomes, a notion that is supported by the Configuration theoretical perspective. Various scholars have scrutinized the linkage between culture and performance outcomes of organizations.

For instance, a time-series-based study was carried out by Jacob et al., (2013) in the effort of exploring the potential link found in the interaction of cultural phenomena and performance outcomes of emergency in England-based hospitals. Using data of over three-time periods between 2001/2002 and 2007/2008, the scholars adopted ordered probit and multinomial logit analytical models to explore the connection between different organizational types (clan, hierarchical, developmental and rational) and performance outcomes of the selected health facilities.

The results produced by the models demonstrated that the effects of culture on performance indicators of the facilities were positive. The study made a significant contribution to the evidence pointing to how culture affects the overall performance of businesses. However, it was not clear whether the findings based on the England acute hospitals could be generalized to the large private health facilities in Kenya.

In another study, Zhao, Teng and Wu (2018) examined how organizational culture of selected Chinese companies shaped their performance outcomes. The culture of the selected companies was proxied by the Chief Executive Officer's (CEO) speech, culture page, workers routine activities, social responsibility, awards won, in-house capacity-building programs, company news and medical exposure. Longitudinal data were garnered from 1,044 quoted companies. Results produced from the analysis of the data showed that culture had a negative link with the market value of the companies, but a positive interaction with the innovative capacity. While the scholars contributed to expansion of the knowledge-base, their study was context-specific.In particular, their study was carried out in China. Besides, they focused on a sector different from the one targeted by the current study.

In a similar study, Zhou et al., (2011) labored on assessing the ramifications of culture on outcomes of performance in Chinese-based hospitals. In the whole work, culture was viewed as a manifestation of four dimensions: orientation, consistency, involvement and adaptability. In a sample of 8,276 patients and 3,437 employees from 87 hospitals in China, the study found mixed results.

This is as per implications of culture on the overall performance outcomes of the institutions. A fundamental limitation of this study was that the findings were limited to the context of Chinese hospitals. Therefore, extrapolating the findings to the Kenyan context or other parts of the world would be problematic. Though the industry was similar, the sector and unit are different from that of the current study.

Acar and Acar (2014) carried out a study with the intent of establishing the effects of culture on the overall outcomes of public health facilities in Turkey. The scholars conceptualized culture as a multidimensional construct, involving adhocractic, clan-based, hierarchical and market-oriented cultures. Using a sample of 512 executives from 99 hospitals (private and public) in Turkey, the scholars concluded that there was an affirmative association results drawn from the two variables in the health units. An obvious limitation of the study is that it focused exclusively on the case of Turkish hospitals. As such, the findings are not capable of depicting the interplay between culture and performance across national contexts.

It is evident that mixed results have been reported in the past studies as regards the impact that results from culture on outcomes in terms of performance. Some studies have however reported contrary corroboration. Therefore, it is imperative to fill this gap through elaboration of the true direction of the influence caused by culture on performance in a Kenyan context. Informed by the aforementioned literature, the study sought to probe the influence of organizational culture on the performance of large private health facilities in Kenya.

Moreover, it is paramount to understand the conditions under which organizational culture may improve or slow down performance. As noted by Ping et al., (2011), other variables such as organizational strategy may strengthen the cultural aspect.

However, as it stands, the impact of co-aligning strategy and culture has received insignificant research attention as evidenced by the review of studies presented in this section. Therefore, in addition to addressing the debate surrounding the ramifications of specific variables in this work, the study advanced the conceptualization that the overall strategy and culture co-alignment could create synergy, which might positively impact on performance.

2.5 External Environment and Organizational Performance

Numerous empirical investigations have been advanced in an attempt to elucidate the linkage between external environment and performance. For example, in their study, Noh, Kwon, Yoon and Hwang (2011) sought to explore the effects of internal and external environmental issues on performance outcomes in Korean nursing home facilities. They used data from 89 training facilities that practiced hospital-based home nursing care. Although their study revealed affirmative results, it was limited to the geographical context of Korea; hence the findings may not be extended to fit cross-country settings. Additionally, the study only considered the direct linkage between external environment and performance. In this regard, the study was insufficient in providing insights about the moderating effects of external environment.

Another study that sought to investigate the underlying mechanisms of the external factors in the link involving the orientation of market and outcome implications of small and medium enterprises operating in Pakistani was carried out by Jabeen et al., (2016). With a sample of 364 firms in Punjab, the study reported that there was a significant linkage between market orientation and performance and that external environment buffered this relationship due to its moderating effect. In light of the current study, the limitations of the study are both conceptual and contextual. Pertaining to the conceptual aspect, Jabeen et al., (2016) focused on different variables. In the current study, the focus is on determining whether external environment buffers or impinges the effects of strategy-culture fit on performance outcomes. Contextually, the scholars targeted SMEs with operations in Pakistan. Consequently, the results yielded from the study cannot be extrapolated to other diverse national contexts and industries such as the large private health facilities in Kenya.

A study was carried out in Kenya to assess the environmental impact on the performance outcomes of companies with listed securities (Machuki and Aosa, 2011). The scholars viewed external environment as a three-pronged operationalization, describing how complex, dynamic and munificent environmental factors are. Utilizing a sample of 23 elements, the results pointed to a lack of significant relation between the variables. Although the study was instrumental in highlighting the linkage between external environment and performance, it primarily focused on Kenyan listed companies. To this end, whether or not the findings of the study can be replicated in non-listed companies remains unclear.

From the review of the body of literature in the foregoing sections, it is clear that external environment has been explored both directly and in terms of its moderating mechanism. However, almost none of the studies have probed its moderation capacity between the variables of interest in this study. The available literature evident studies that were done in different contexts and addressing different units of study.

2.6 Organizational Strategy and Culture Co-alignment and Performance

Both strategy and culture are dynamic phenomena. This dynamism is necessitated by environmental realities (Dave & Gabriella, 2015). As changes occur, managers may seek to align various variables to enhance performance. Consequently, strategy-culture co-alignment would be expected to have positive performance implications. However, only few studies have been carried out to test this hypothesis. Previous studies on co-alignment have further indicated a positive relationship between strategy and other variables (Macharia, 2014). Organizational strategy is the overall roadmap that provides direction towards achievement of the overall organizational goals and objectives (Kiliko, 2015). Configuration theory explains the interactional relationships between variables, the result of which is possible increased performance. Culture, being a critical variable that influences performance of employees and organizational effectiveness (Thokozani, 2017), is interacted with strategy and the results in performance levels observed. Buku et al., (2015) argue that culture determines the overall strength of an organization, its productivity and competitiveness. Organizational culture therefore is a valuable aspect in this study.

In the study, co-aligned variables are organizational strategy and culture. The holistic interaction of these two variables might positively influence a third variable, which is performance. Both strategy and culture are dynamic phenomena. This dynamism is necessitated by environmental realities (Dave & Gabriella, 2015). As changes occur, managers may seek to re-align various variables to enhance performance. Contingency theory enables managers fit various constructs within organizations and align them with external environment to enhance the overall performance.

Existing literature has failed to show the effects of a possible synergy between organizational strategy and culture, yet that synergy might cause enhancement of organizational performance. Due to the limited empirical studies exploring the link between strategy-culture fit, it remains unclear whether aligning organizational strategy and culture produces better performance outcomes. Therefore, it is imperative to fill this knowledge gap.

2.7 Organizational Strategy-Culture Co-alignment, External Environment and Performance

To ensure competitiveness, organizations must build their cultures on the turbulent external environment (Aksoyturk, 2008). External environment in this study is the moderating variable, that is, it may buffer or impinge the results. The Contingency theory emphasizes on critical role played by external environment in defining the organizational strategy and its impact on performance (Bourgeois, 1980).

There is no ready-made way of dealing with issues. Every decision is dependent upon or contingent to the external and internal environments. Milles and Snow (2003) point out that co-alignment is a dynamic process meant to establish a congruency in the middle of the internal organizational functions and those of its surrounding. It is a process as well as a state, a dynamic search that seeks to align the organization with its environment and to arrange resources internally in support of that alignment. Co-alignment of two variables may explain changes in the third variable as sought by this study. This alignment is open to environmental changes and has a continuous renewable understanding (Yilmaz, 2011).

Configuration theory allows for interaction of strategy and culture constructs. It further enables their linkages with external environment. For the most part, the extant literature treats external environment as an explanatory factor and much less than a moderating or intervening one. In the current study, its role was that of being a moderator between the predictor and criterion variables. The influence of a joint effect of various variables might have more implications on performance than when variable are acted upon singly (Kiliko, 2015). From this standpoint, the current study was set to provide rich contextual insights as pertains the nexus between strategy-culture fit and external environment and how this matching of variables reflects on the performance outcome variable.

2.8 Summary of Literature and Knowledge Gaps

Based on the body of literature presented as reviewed in the preceding sections, it is evident that there are persistent gaps in the evidence-base that need to be filled. The extant literature reveals the existence of co-alignment studies. However, most of these studies were conducted outside Kenya. So their findings and conclusions may not be applicable in the Kenyan scenario. Further, the moderating role of the external environment in the link between strategy-culture fit and performance is not substantiated in the literature.

Table 2.1: Summary of Literature and Knowledge Gaps

Literature	Focus	Findings	Knowledge Gaps	Focus of the current Study
Thokozani (2017)	Organizational culture and workforce motivation	Strong firm culture is more successful in achieving the organizational goals	The study compares variables without establishing results of their interaction	Organizational culture is co-aligned with another construct of interest, a factor that might explain performance better
Macharia (2014)	Strategy, competencies co-alignment, micro-environment and performance	The integration of competitive studies, competencies co-alignment had a positive impact on outcomes	Organizational strategy and cultural competency was left out in the study, establishing a gap in knowledge	The current study focused on the effects of co-aligned variables and performance of a health unit in a Kenyan context
Aitken & Todeva (2011)	Co-alignment of supply chain strategies and the knowledge outcomes for buyer-supplier network relationship	Predictor variables' alignment had positive impact on network supply	The study interacts variables without addressing their synergistic influence on supply networks	This study addressed the impact of synergistic results of interacting strategy and culture in a Kenyan context
Hofstede (2011)	Dimensionalizing cultures: The Hofstede model in context	Cultural dimensions are contingent to the aggregation level	This study focuses on cultural dimensions and organizational culture only	This study interacted culture and strategy and observed the effect on performance

Summary of Literature cont…

Machuki (2011)	External environment-strategy co-alignment, Firm level institution & performance	Co alignment of Variables studied demonstrated an affirmative impact on Publicly quoted units	External environment serves as an independent variable. It may/not moderates the relationships. The results realized were significant	This study treated external environment as a moderator variable that might cause positive or negative impact on the unit studied
Venkatraman & Prescott (1990)	Environment-strategy co-alignment: An empirical test of its performance implications	Realized results supported co-alignment conceptualization	The congruency model pertaining to the variables in question has not been tested in Kenya	The study tested the impact of strategy-culture co-alignment. It focused on external environment as a moderator variable

Source: Literature Reviewed

2.9 Conceptual Framework

Building on the extant body of research reviewed in this study, a conceptual framework was proposed for better understanding of the direction of interrelationships involving the variables of interest. As noted by Aitken and Todeva (2011), such a framework plays an instrumental role in steering the direction of an empirical enquiry, particularly in connection to addressing the conceptual gaps. A visual and schematic portrayal of this framework is shown below. The model demonstrates the important linkages considered in the study, that is, the organizational strategy-performance; culture-performance; strategy-culture fit and performance; the moderation factor of external environment on the relationship between strategy-culture fit and performance; and the joint and sum-total effect of variables and performance.

The framework shows organizational strategy and organizational culture as independent variables as informed by previous studies (Khoshstraia, 2018; Omwari et al., 2016; Osman, 2017; Zhae et al., 2018). In addition, the framework links the alignment of strategy and culture with organizational performance as previously established by Yarbrough et al. (2011). The framework also situates external environment as a moderator in the relationship between the fit of the co-aligned variable and performance. It is on the basis of this model that research hypotheses were derived.

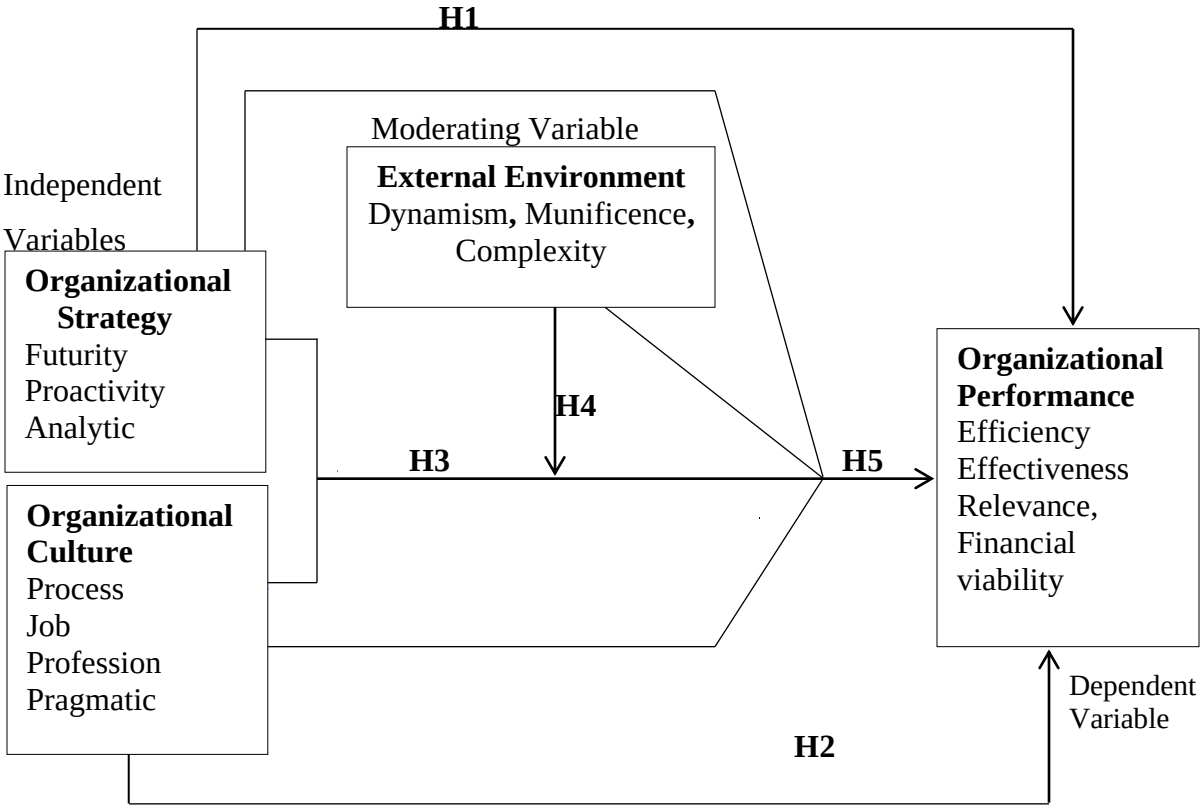

Figure 2.1: Conceptual Model

Source: Researcher (2020)

2.10 Conceptual Hypotheses

To enable establishment of the relationships schematized in the conceptual model of the study, five hypotheses were formulated for testing on the basis of literature reviewed. They are stated as:

H1: Organizational strategy has no significant influence on Performance

H2: Organizational culture has no significant influence on Performance

H3: Organizational strategy-culture co-alignment has no significant influence on Performance

H4: External environment has no significant moderating influence on the relationship between organizational strategy-culture co-alignment and Performance

H5: The joint effect of organizational strategy, culture and external environment is not significantly greater than the sum-total of the independent effects of individual variables on Performance

2.11 Chapter Summary

This second chapter has provided an exhaustive review of the state of literature, including the most recent conceptualizations and measures for studying the variables within organizations. The chapter also has brought out the study anchoring theories. Further, the background on theoretical and empirical development of interrelationships among the variables of interest has also been provided. Through this review, gaps in the existing empirical research-base have been pinpointed, and these, the study endeavored to fill. Concludes of the chapter were drown along a series of hypotheses that the study sought to evaluate. Research methodology utilized in the study is discussed in the next chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the roadmap or blueprint employed to facilitate efficient data gathering and analysis. Detailed information regarding the constituent components of research methodology including philosophical approach employed; tests involved as well as data analytical techniques are presented. The rationale for selecting each of the components is also highlighted.

3.2 Research Philosophy

Philosophy of research is a series of assumptions underpinning the manner in which data concerning a particular phenomenon should be garnered and scrutinized when generating new knowledge (Saunders, Lewis & Thornbill, 2012). It is imperative because it aids in shaping the methodological approach and procedures to be employed in addressing research questions in a given study. Research philosophy finds its root from two philosophical stances. The first one is ontology, whose suppositions describe the fundamental aspects of being and existence of a reality (Keith, 2005). This stance perceives reality as verifiable and external. The second is epistemology, which is the study of human knowledge. It holds the assumption that knowledge is pivotal only when it is grounded on the perceptions of others. From these stances emerge phenomenology and positivism (Nachmias & Nachmias, 1996).

Phenomenology focuses on enriching the understanding of human beings (Babbie & Mouton, 2001). It is founded on the belief that the subject matter and knowledge derived from social science differs considerably from those of the natural sciences (Cooper & Schindler, 2006). This philosophy holds that human beings are unique compared to physical phenomena due to their ability to create meanings. Phenomenology aims at studying these meanings. The reason for phenomenological inquiry is to enable development of new, richer understandings and interpretations about social contexts. Multiple and varying interpretations of social contexts can be derived from studying people's experiences. Hence, phenomenology tends to be explicitly subjective in nature.

This philosophy further stresses on the important role of human beings as social actors, hence the values and beliefs of researchers are critical in the research processes. In this regard, phenomenology researchers seek knowledge by entering into the social settings of the participants in a bid to understand reality from their standpoint. Rather than relying on operationalization of the variables of interest, phenomenological research entails the use of non-quantitative (qualitative) data gathering modalities. The end result of phenomenological research is an understanding of social phenomena rather than absolute truth. Consequently, the findings from this type of research cannot be generalized to other contexts. This philosophy was consequently judged as not suitable for the current study. Positivism on the other hand states that development of new knowledge has its foundations on natural events and phenomena. This includes their features and interconnectedness, with little regard for the perceptiveness of a single individual. It stresses on scientific rigor in its inquiry for knowledge (Cooper & Shiner, 2006).

Positivism holds that information drawn from sensory experience and interpreted by reason through deductive theorizing and testing of propositions results in authoritative knowledge (Babbie, 2005). It is featured as an objective conception of a subject matter and that during scientific inquiry, the researcher is dissociated from the subject matter (Keith, 2005). The philosophical view upheld by positivism was popularized by a faction of scholars from Vienna who advocated for adherence of social science research to scientific principles, methods and practices. Therefore, positivism is grounded on science, which is essentially anchored on the core principles of measurement and objectivity. This also indicates that positivist philosophical views tend to focus mainly on quantitative (measurable) data and deductive reasoning, where defense of an argument shifts from a broad viewpoint to detailed aspects. According to Bryman and Bell (2014), research under the positivistic view commences with applying suitable theories and models, then operational definition of variables of interest and conjecturing of their interconnections. The predictions on the link between variables are tested using statistical means after which the results are used to make generalizations about the subject.

This study was guided by positivistic philosophy. To the positivism philosophy was added the notion of pragmatism. This emphasizes on what is functional as pertains to research questions under investigation (Tashakkori & Teddlie, 2003). Pragmatism allowed for collection of verbatim responses springing from respondents' experiences.

In addition to the two philosophical approaches that underpin research in the realm of social sciences, there are two philosophers who have contributed bountifully to the current understanding of the process of knowledge development. These are Karl Popper and Thomas Kuhn. Popper posited that all scientific knowledge begins with a prejudice, theory or hypothesis. He further argued that it is the obligation of the scientist to derive from theory, logical but unexpected postulations that, if proven by experiments to be incorrect, the theory is rendered invalid (Downton, 2003). On the other hand, Kuhn asserted that the development of scientific knowledge cannot be understood as simply a switch of perspectives where more accurate conceptions slowly replace the less accurate ones through experiments. He argued that the replacement of one paradigm by another occurs when there are shared values among the practitioners (Achinstein, 2004).

The objective of the current study was to establish correlations among the variables of interest. Therefore, scientific principles reflected through the use of statistical techniques such as regression and canonical correlation analyses had to be invoked. These scientific principles underpin the positivistic philosophical view utilizes in this work.

3.3 Research Design

A design in research is a framework or blueprint with detailed set of procedures regarding gathering, measurement and analysis of data in a scientific inquiry (Christensen et al., 2015). It facilitates smooth running of various research operations, thus allowing researchers to gather maximal information in an efficient manner. There are a variety of research designs which are broadly categorized into three classifications.

These are quantitative, qualitative and mixed methods designs (Creswell, 2003). Within each of these broad classifications are specific designs. For instance, the specific types of quantitative designs include descriptive and correlational one. As for the qualitative designs, the specific types include grounded theory, ethnography, phenomenology, case study and narrative. The specific types of mixed methods designs include: sequential mixed and concurrent mixed methods research designs (Tashakkori & Teddie, 2003).

Quantitatively oriented research designs entail techniques and methods associated with the gathering, analyzing, interpreting and presenting numerical information. For quantitative research designs, research questions are presented in numerical form (Cooper & Schindler, 2003). Qualitatively oriented research designs are associated with techniques and methods used to gather, analyze, interpret and present narrative information (Cresswell, 2003). In other words, qualitative research designs are focused on offering answers to research questions that manifest in narrative form.

Mixed methods research designs are those in which a researcher generates new knowledge with the aid of the first two techniques in an empirical enquiry. Within the category of quantitative research design is the descriptive design. This encompasses cross-sectional and longitudinal studies. Experimental research designs involve the deliberate manipulation of at least one independent variable by the researcher or random assignment of study participants to different conditions. By comparing the results of the experiment, the researcher is able to arrive at conclusions concerning the case-and-effect relationships between the variables.

In contrast, descriptive research designs focus on providing an accurate description of phenomena, events or variables as they naturally occur in the environment. The aim is thus to observe, describe and explore the multiple variable relationships without changing the environment or actively manipulating any variable. As such, experimental research designs were found unsuitable for the study. The cross-sectional survey design involves dividing the target population into various segments and then gathering data from all the segments at a fixed time-point. The data collected is then analyzed to map the patterns and relationships between variables of interest. On the other hand, in a longitudinal design, data about subjects drawn from the general population is gathered at multiple periods of time.

In this study, descriptive cross-sectional survey was employed. The design was deemed appropriate due to the study objective at hand. Besides, it was efficient in terms of both time and cost, while yielding sufficient descriptive information about the target population. Cross-sectional design allowed for the utilization of the mixed-method in this work, where the findings were based upon two separate forms of information: quantitative and qualitative. The study utilized a questionnaire which contained closed-ended questions on one hand as well as open-ended ones on the other, to collect data. The former produced quantitative data that facilitated exploration of the relationships among the variables of interest. On the other hand, the open-ended questions were constructed as qualitatively-based pieces that supplemented the quantitative data. This was by providing a comprehensive portrayal of the underlying interconnections between the variables of interest. Therefore, the mixed methods design allowed for the seamless integration of statistical and thematic data analytical techniques of the overall data collected.

3.4 Population of the Study

A study population is the total collection of elements in a study (Nachmias & Nachmias, 1996). The unit of the current study necessitated leaving out the small and medium ones that are in their own cadre. The legal body that registers health facilities is the Medical Practitioners and Dentists Board of Kenya (MPDBK). The sum-total of all private health facilities registered at the time of study (2018) was Three thousand and Ninety Five (3095), as indicated and evidenced by MPDBK (2018).

Categorization of the size of the facilities as large is based on One hundred (100) and above bed capacity (MOH, 2017). As of September 2018, when the study was undertaken, the sum-total of all operational Large Private Health Facilities in Kenya stood at Sixty One (61) and this formed the study population. This size of the population warranted inclusion of all intended category of facilities in the study. Therefore, a census survey was employed as there was no need for sampling. The list of all the Sixty-One large private health facilities is presented in Appendix III.

3.5 Data Collection

A questionnaire was employed to collect primary data that was used in this study. As Cooper and Schindler (2011) highlight, one of the main advantages of a questionnaire is that it allows for quick and efficient collection of different types of data from research participants at a specific instance. Besides this fact, a questionnaire was considered feasible for the study because of its relevance to the purpose of this research and its friendliness in terms of resources (time and finances).

The questionnaire provided a way of measuring the study variables of interest and generating quantifiable answers to the research questions (Bell & Bryman, 2007). In addition, the questionnaire made it possible to get data from all the relevant points within the country at a minimal cost and within the required timelines of conducting the research. The scholar only needed to meet the costs of paper printing and postage. A single questionnaire tool per facility was issued out, just as had been done by Kiliko (2015).

A total of Sixty-One (61) survey questionnaire tools were administered to the research respondents either in form of a mail or by means of persons well-trained for the job. The assisting persons were clearly explained beforehand, on the modality of delivery of the questionnaire to the respondents, and all questions that arose were answered accordingly. This gave confidence to the research assistants, who then proceeded and forwarded the tools to the designated respondents (facility CEOs) and collected them back as designed and necessary. Each questionnaire was attached to a cover letter that briefly introduced the researcher and offered instructional guidance to the respondents.

The form and wording of questions used in a questionnaire are crucial as they may affect the type and quality of data obtained from the research participants. The mixed method of the set questions allowed for triangulation of the respondents' perspectives with the quantitative findings regarding the subject of inquiry. Moreover, the questions were formulated in a simple language and in words that could easily be understood by the respondents.

The order of questions asked followed a logical progression as guide by the main study objectives. In particular, the survey instrument comprised of five sections, numbered A to E. Section A was based on the general profile of the facilities and respondents; Section B sought information on the organizational strategy of the health facilities; Section C, on organizational culture; Section D, on external environment; and Sectional E, on the performance of the facilities. Responses to questions in Section B to E were presented on the basis of a 5-point Likert type scale. The items for each section were based on study concepts, similar research instruments and question statements, some of which had been used in the previous studies, such as Awino (2011); Hubbard (2009); Machuki and Aosa (2011); Ongore (2008); Vekatraman (1990); and Macharia (2014).

3.6 Reliability and Validity Tests

Reliability and Validity represent two of the fundamental elements in the evaluation of accuracy of a measurement instrument. Before reliability aspect can be considered meaningfully, test Validity is required (Saunders et al., 2007). This section describes ways through which reliability and validity of the questionnaire were evaluated.

3.6.1 Reliability Test

Reliability is a yardstick for how consistent and replicable a research instrument is in the collection of data (Saunders et al., 2007). The Cronbach's alpha statistic is used for evaluating the reliability of such instruments. Specifically, the statistic tests the level of agreement among items in a given instrument (Cooper & Schindler, 2011). This statistic was preferred because it is the most commonly utilized measure of reliability.

This study employed the cut-off coefficient point of 0.7 as recommend by (Alexandridis, 2018). A pilot test of the questionnaire was administered in 10 large private health facilities before the actual study commenced. According to Mugenda and Mugenda (2003), a small number of (at least 10% of sample size) respondents in a sample are enough to pilot research instruments. The data collected from the pilot study proved useful in establishing the reliability of the questionnaire. Below is portrayed the results of the reliability assessment.

Table 3.1: Reliability Test Result

Scale	Number of Items	Cronbach's Alpha	Interpretation
Organizational strategy	9	0.83	Reliable
Organizational culture	21	0.89	Reliable
External environment	64	0.93	Reliable
Organizational Performance	31	0.91	Reliable

Source: Primary Data

The reliability of the 9-question "Organizational strategy" measure was high, as determined by a coefficient value of 0.83. The results also indicate that the reliability of the 21-question "Organizational culture" measure was adequate, as indicated by a coefficient value of 0.89. The 64-question "External environment" and 31-question "Organizational performance" measure also demonstrate sound internal consistency as the two produced coefficient values of 0.93 and 0.91 respectively. The values for all the items stood greater than 0.8, hence fell within the acceptable range of values between 0.7 and 0.95 recommended by Alexandridis (2018). Consequently, all the questions used in the scales demonstrated sufficient reliability and so, were retained.

3.6.2 Validity Test

Validity is the range at which a research tool succeeds in measuring what it purports to evaluate (Nachmias & Nachmias, 1996). It deals with how realistically accurate a measure is as regards representation of a concept. In this study, validity types scrutinized are of three modes. The first one is content or logical validity, which ensured adequate coverage of all important aspects. The second one is face validity, which ascertained that the questionnaire appeared to be measuring the constructs involved. The third one is predictive, also known as criterion validity.

The scholar sought for opinions of experts in the relevant field of study, particularly the faculty members in university. This was in a bid to determine whether the questionnaire was valid or not. The expert opinion was incorporated in the research instrument design process, resulting in a valid questionnaire. Literature review and field visits further guaranteed validity of the tool. Some questionnaire tools were also administered to few facilities for piloting to ensure clarity. Editing of questions was done carefully. Any unnecessary or unclear question was dropped just as had been acted upon by Kiliko (2015). Corrective measures were taken as appropriate and necessary.

3.7 Operationalization of the Study Variables

The outcome variable in this inquiry was organizational performance. The set of explanatory variables comprised of organizational strategy and culture, while external environment represented the moderating variable in the study. These variables were operationalized and measured as illustrated in bellow.

Table 3.2: Operationalization of the Study Variables

Variable	Operationalization	Indicators	Literature	Measurement Scale	Item
Organizational Strategy (Independent)	Roadmap that leads to making of decisions with future anticipated conditions in mind; focusing on and protecting the narrow and stable domain; Focuses on efficiency	-Futurity -Proactivity -Analytic	Chandler, (1962); (Miles, Snow & Meyer, 1978; and Miles & Snow, 2003)	5-point Likert type Ratio Scale	Q 7a-i
Organizational Culture (Independent)	Technical and bureaucratic routines and common concerns for outcome; the programing of mind that distinguishes a firm operations as regards the future; flexibility and or rigidity in dealing with client, specialty in the field of work	-Process -Job -Pragmatic -Profession	(Hofstede, 2011); Cole, 2005; Dave & Gabriella, 2015; Erdem 2007; Sandro, 2016; Muzaffer et al., 2013)	5-point Likert type Ratio Scale	Q 8a-u
Organizational Strategy-Culture Co-alignment (Unobserved Independent)	Fit, congruency, consistent interaction of two or more variables that explains change in the third variable	-Analytically determined	(Miles, Snow & Meyer, 1978; Miles & Snow, 2003; and Hofstede, 2011)	5-point Likert type Ratio Scale	

Operationalization of the Study Variables cont..

External Environment (Moderating)	Turbulence of environmental factors and their heterogeneity; abundance or scarcity of resources;	-Dynamism -Munificence -Complexity	(Miles & Friesen, 1978; Machuki, 2011; and Santos & Eisenhardt, 2009)	5-point Likert type Ratio Scale	Q 9,10, 11, 12a-16m
Organizational Performance (Dependent	Delivery of quality services in an effective, efficient, relevant way; and financial viability of the facility	-Operational Efficiency -Operational Effectiveness -Organizational Relevance -Financial Viability	(Kaplan & Norton, 1992; IDRC, 2012; Ping et al., 2011)	5-point Likert type Ratio Scale	Q17-19

Source: Literature review

3.8 Diagnostic Tests

It was necessary to carry out various tests prior to conducting analysis, so as to ensure that collected data meet the thresh hold assumptions of the nature of regression invoked. The diagnostic tests included normality, multicollinearity and homoscedasticity. A key assumption involving regression statistical analysis is that data is drawn from a normal population distribution (Kinuu, 2014). If there is abnormality in data distribution, the situation may distort correlations and statistical inferences, which may lead to inaccuracy of results (Osborne & Waters, 2002). Normality was assessed using a test known as Shapiro-Wilk. In case the probability value of this test is not less than 0.05, then data are normal, otherwise, they would be deviating from a normal distribution (Coolican, 2014).

Multicollinearity is the assumption that the predicting variables in a model that is multiple linear in nature are not highly correlated. This assumption is present where predictor variables in a multiple regression model demonstrate a high degree of correlation (Keith, 2006; McClave & Sincich, 2018). The method utilized in establishing whether there was high correlation or not was Variance Inflation Factor (VIF). To avoid this correlation problem, the VIF values should not exceed 10 and tolerance values should not be less than 0.10 or less (Weiss, 2012).

Data should be in tandem with the assumption that the variance of error terms is similar for all the values of the predictor variables, a situation that exhibit Homoscedasticity (McClave & Sincich, 2018). A scatterplot of residual versus predicted values for the dependent variable was useful as regards assessing homoscedasticity of data. In case the data points display a definite pattern that resembles a cone-shape, it would imply that data are not homoscedastic but heteroscedastic (Kinuu, 2014) and this would be violating the assumptions of linear regression models.

3.9 Data Analysis

The first step in the process of analyzing collected data involved editing of the same. At this stage, the returned questionnaire items were carefully scrutinized to identify incompleteness and information gaps and effort was made to minimize errors as much as possible. This ensured that collected data were of good quality, that is, free from inconsistencies and incompleteness.

After the data editing process, responses to the closed-ended questions were coded and input in the Statistical Package for the Social Sciences (SPSS) computer program for statistical analysis. The statistical analysis was devoted not only to generating descriptive but also inferential statistics. The aim of descriptive analysis is to provide meaningful summaries about the study variables, while that of inferential analysis is to test hypotheses.

Descriptive statistics provide information on the central tendency and dispersion of a data set. Measures of central tendency represent the point where data tends to be clustered the most. This study favoured the use of mean. On the other hand, measures of dispersion provide information on how data points of a variable are scattered around the true value of the average. Examples of these measures are range, standard deviation and coefficient of variation (CV). In this study, coefficient of variation was adopted due to its robust nature.

Frequency distributions were also used to summarize data. Data from the open-ended queries were analyzed systematically and thoroughly via content analysis. Responses were input into a word processor, read and color-coded to decipher emergent themes. The reading of the material was done in four iterative steps. Specifically, data were read for the first time to discover the overarching ideas underlying the content. Then they were read for the second time in a bid to identify and pin-point the major themes. The third reading was done to identify latent themes, while in the fourth one the researcher sought to cross-check the identified themes. Integration of the qualitative with the quantitative data took a sequential approach.

First, presentation of the results of the quantitative analysis was done, followed by the content analytical findings. There are a variety of inferential statistical tests and the choice of a particular test is contingent upon specific research objectives of a study. Multiple and Simple linear regression analyses, Baron and Kenny (1986) moderated regression and canonical correlation analyses were adopted in this study.

Stating that organizational strategy had no significant influence on performance, the first hypothesis was assessed by means of multiple linear regression analysis.. The outcome variable was performance of the health facilities while strategy represented the predictor variable. Performance was operationalized into four constructs, namely: operational effectiveness, efficiency, organizational relevance and financial viability. On the other hand, strategy was operationalized into three constructs, namely: futurity, proactivity and analytic orientations. After establishing the composite indices, the three organizational strategy constructs were regressed on each performance indicator resulting into four regression models. The key interests for each model were the following statistics: multiple r value, the coefficient of determination (R^2) and F-ratio value.

The multiple r value indicated the strength and direction of association between the organizational strategy constructs and each performance indicator. The R^2 represented the amount of variability in each indicator in the criterion variable, explained by the combinatory aspect of organizational strategy constructs. In addition, the *F*-value depicted the overall statistical significance of each model.

All models were assessed at 95% confidence level *(p=0.05)*. A model was considered not statistically significant if the p-value associated with the *F*-value was greater than *p=0.05*. The rejection of the null hypothesis decision was therefore made at values of *F*-values where *p*-value was less than 0.05 for all the four regression models. If at least one of the models had a *p*-value that was not less than 0.05, then the decision would be made not to reject the null hypothesis.

Multiple linear regression analysis was also utilized in evaluation of the second hypothesis which posited that organizational culture had no significant effect on performance. The outcome variable was organizational performance. This was operationalized into operational effectiveness, efficiency, organizational relevance and financial viability. The predictor variable was organizational culture, which was operationalized into four constructs, namely: process, job, profession and pragmatic orientations.

The four organizational culture constructs were regressed on each performance indicator using multiple linear regression analysis. This resulted into four regression models. For each model, the following pertinent statistics were extracted: multiple r, $R^{2,}$ and *F*-value. The multiple r coefficients demonstrated the direction as well as the strength of association between the organizational culture constructs and each performance indicator. The R^2 represented the variance proportion in each criterion indicator substantiated by the combined aspect of the organizational culture constructs.

The function of *F*-value was to indicate the overall statistical significance of each model, whose assessment was hinged on 95% level of confidence (p=0.05). A model was considered statistically significant in a case where the *p*-value that has association with the *F*-value was less than *p=0.05*. The decision-making in view of rejecting the null hypothesis was thus made at values of F-values in a case where *p*-value was less than 0.05 for all the four regression models. If at least one of the models had a *p*-value greater than 0.05, then the decision would be made not to reject the null hypothesis.

The third hypothesis postulated that organizational strategy-culture congruency did not exhibit significant influence on performance. This hypothesis was evaluated using canonical correlation analysis. A canonical correlation analytical methodology is utilized in testing the linkage between a predictor variable set and criterion variable set. Strategy-culture co-alignment was the analytically determined predictor variable set. On the other hand, criterion variable set comprised of performance sub-variables. Strategy-culture co-alignment variable set comprised of seven measures, namely: futurity, proactivity, analytic, process, job, profession and pragmatic orientations. The criterion variable set comprised of performance measures. The resolution to reject the set hypothesis that was null in nature, was based on the Wilk's lambda (λ) statistic. The Wilk's λ statistic is normally used to assess the overall statistical significance of a canonical correlation model. In this study, the level of confidence assumed in the model was hinged at 95% *(p=0.05)*. If the *p*-value associated with the Wilk's λ statistic turned out to be less than 0.05, the decision was to reject the null hypothesis.

In the event that the null hypothesis got rejected, a sensitivity analysis would be conducted (Ho, 2013). This is in a bid to identify the best organizational strategy-culture fit. The sensitivity analysis would entail deleting measures in each variable set until the Wilk's λ statistic indicates a statistically significant model.

Moderation test methodology proposed by Baron and Kenny (1986) was used to assess the forth hypothesis. The method involves three steps. In the first step, the predictor variable is regressed on the outcome variable; the moderating variable is incorporated in the second step and the interaction term in the third step. Based on this technique, moderation exists when the results of the model in the first step are significant, results of the model with the moderator variable in the second step are significant, and lastly, when changes in R^2 due to the interaction term are significant. The composite indices for organizational strategy-culture co-alignment, external environment and performance were first obtained. Strategy-culture co-alignment represented the predictor variable while performance was the outcome variable. Moreover, external environment represented the moderating variable. The resolution to reject the null hypothesis was premised on a 95% confidence level *(p=0.05).* If at any step of the Baron and Kenny's (1986) procedure, the *p*-value turned out to be less than 0.05, the null hypothesis would be rejected.

The fifth hypothesis postulated that the joint effect of the three predictor variables was not significantly greater than the sum of the independent effects of each variable. The composite scores for the three predictor variables were computed first. Each score was then regressed on each of the performance indicators through simple linear regression.

The independent effect of each of the variables on a performance indicator was portrayed by the R^2 value. The R^2 values were then added together to obtain the sum-total effects of the three variables. Multiple linear regression analysis was invoked to estimate the joint-effects on each performance indicator. The composite scores for the three-predictor variables were regressed on each performance indicator. The R^2 for each model represented the joint effect of the three predictor variables on a performance indicator. The joint effect and sum-total of independent effects of the three-predictor variables on each performance indicator were then compared. If for all the performance indicators, the combinatory power was not greater than the sum-total of the independent effects of the same variables, then that formed the basis for failing to reject the null hypothesis. A summary of the hypotheses of study and associated analytical models are presented here bellow.

Table 3.3: Summary of Objectives, Hypotheses, Analytical Models and Interpretation of Results

Objective	Hypothesis	Analytical Model
To determine the influence of organizational strategy on performance	**H_{01}**: Organizational Strategy does not significantly influence performance	**Multiple Regression Analysis** Performance= *f* (Organizational Strategy) $P_n = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + \epsilon$ Where P_n =Performance b_0 =Constant (intercept) b_1, b_2, b_3 are Coefficients X_1= futurity X_2 = proactivity X_3 = analytic ε= Error Term

Summary of Objectives, Hypotheses….. cont..

To assess effect of organizational culture on organizational performance	**H_{02}**: Organizational culture does not significantly influence performance	**Multiple Regression Analysis** Performance= *f* (Organizational Culture) Where P_n =Performance b_0 =Constant (intercept) b_1, b_2, b_3, b_4 are Coefficients X_1= process orientation, X_2= job orientation, X_3=profession orientation, X_4=pragmatic orientation ε= Error Term
To determine the influence of organizational strategy-culture co-alignment on performance	**H_{03}**: There is no significant influence of organizational strategy-culture co-alignment on performance	**Canonical Correlation Analysis** Performance variable set=*f* (strategy-culture co-alignment variable set) $corr X_1, X_2, X_3, X_4, X_5, X_6 \ and \ Y_1, Y_2, Y_3, Y$ Where X_1=futurity, X_2 = proactivity X_3 = analytic X_4= process orientation, X_5= job orientation, X_6=profession orientation, X_7=pragmatic orientation, Y_1= operational effectiveness, Y_2= operational efficiency, Y_3= organizational relevance, andY_4= financial viability
To establish effect of external environment on the relationship between organizational strategy-culture co-alignment and performance	**H_{04}:** External environment does not significantly influence the relationship between organizational strategy-culture co-alignment and performance	**Baron and Kenny (1986) Moderated Regression** Performance= *f* (organizational strategy-culture co-alignment *External environment) i) $P = b_0 + b_1 X_1 + e$ ii) $P = b_0 + b_1 X_1 + b_2 X_2 + \epsilon$ iii) $P = b_0 + b_1 X_1 + b_2 X_2 + b_3 (X_1 * X_2) + \epsilon$ Where P= performance composite index b_0 =Constant (intercept) b_1, b_2, b_3 are Coefficients X_1= strategy-culture co-alignment composite score, X_2= External environment
To determine whether the joint effect of organizational strategy, culture and external environment is greater than the sum-total of the independent effects of individual variables on performance	**H_5:** The joint effect of organizational strategy, culture and external environment, is not significantly greater than the sum-total of the independent effects of individual variables	**Joint Effect: Multiple Regression Analysis** Performance= *f* (Organizational strategy, culture, and external environment) $P_n = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + \epsilon$ Where P_n =Performance b_0 =Constant (intercept) b_1, b_2, b_3 are Coefficients X_1= organizational strategy composite score, X_2 = organizational culture composite score, X_3 = External environment composite score ε= Error Term **Independent Effect: Simple Linear Regression Analysis** i) $P = b_0 + b_1 X_1 + e$ ii) $P = b_0 + b_1 X_2 + e$ iii) $P = b_0 + b_1 X_3 + e$

Table 3.4: Hypothesis Testing and Decision Point

Hypothesis	Test	Interpretation
Organizational strategy does not significantly influence organizational performance	Multiple linear regression	If the *p-value* for the F-ratio of all the regression models is less than the significance level of 0.05, reject the null hypothesis, otherwise fail to reject.
Organizational culture does not significantly influence organizational performance	Multiple linear regression	If the *p-value* for the F-ratio of all the regression models is less than the significance level of 0.05, reject the null hypothesis, otherwise fail to reject.
Organizational strategy-culture co-alignment does not significantly influence performance	Canonical correlation analysis and Sensitivity test	If the *p*-value associated with the Wilk's λ is less than the significance level of 0.05, reject the null hypothesis, otherwise fail to reject.
External environment does not significantly influence the relationship between organizational strategy-culture co-alignment and performance	Methodology of Baron & Kenny (1986)	If the *p*-value associated with any of the regression models in the three- step process is greater than 0.05, fail to reject the null hypothesis, otherwise reject.
The joint effect of organizational strategy, culture and external environment, is not significantly greater than the sum-total of the independent effects of individual variables on performance	Simple and Multiple linear regressions	If the coefficient of determination, R^2, for the joint effect of the predictor variables on all the performance indicators is greater than the sum-total of independent effects of the individual variables, reject the null hypothesis, otherwise fail to reject.

Source: Researcher

CHAPTER FOUR

PRELIMINARY FINDINGS

4.1 Introduction

The fourth chapter has its goal as presentation of the findings of analysis that addressed the specific objectives. It commences with an overview of the study rate of response. This is followed by the review of reliability and validity tests results of the research instrument utilized. The respondents' profiles are presented, followed by descriptive statistics linked to each of the key study objectives. Finally, key findings are summarized briefly.

4.2 Response Rate

The interplay between the variables of interest was explored by drawing on data from large private health facilities in Kenya. It was thus necessary to establish the response rate in the survey so as to determine whether or not data collected met the minimum threshold of linear regressions, in order to proceed with statistical analyses. A response rate stands for the ratio of respondents who actually respond to a research tool and questions to eligible respondents in a survey expressed as a percentage (Vannette & Krosnick, 2013). Below is an exposition of the rate response.

Table 4.1: Response Rate

	Frequency	**Percentage**
Filled and Returned questionnaire items	58	95.00
Unreturned questionnaire items	3	5.00
Total Questionnaire pieces distributed	**61**	**100**

Source: Primary Data

This study set out to investigate the Sixty-One large private health facilities spread across the country that met the inclusion criteria specified in Chapter 3, that is, facilities with a bed capacity of One hundred (100) and above. Of the Sixty-One questionnaire instruments administered to the respondents, 3 were not returned. The returned ones represented a response rate of 95%.

Bryman and Bell (2014) contend that a response rate of at least 50% to a research instrument is satisfactory to proceed with statistical analyses; a rate of 60% is good enough and 70% is excellent. As per these recommended thresholds, the final response rate yielded by data collection exercise in this study can thus be termed as excellent for generalizability of the statistical findings. This rate compares favourably well with rates obtained in the previous studies such as Kiliko (2015) who obtained a rate of response of 84.09%; and Moses (2017) who had a rate denoting 95.5%.

The high rate yielded in this study is attributable to the issuance of reminders to the respondents to finish the assignment and return the survey questionnaire. The reminders included personalized text messages, phone calls and e-mails. This strategy was in light of the time-consuming and complex nature of the executive role of the key people who were the respondents in large private health facilities, a factor that was viewed as a high potential barrier to research participation.

4.3 Background Information

This section presents analytical results derived from the questionnaire items about the general characteristics of the study unit and the respondents. Regarding the scope of this research, the general information covered the length of the facility in operation and tenure of the respondents in their designated positions. Frequencies as well as percentages were utilized in a bid to summarize the information. The questionnaire tool was administered to the chief executive officers of the health facilities that formed the unit of study. The aim was to gather data for generating useful insights into the study research problem.

4.3.1 Age of Facilities

Respondents were guided to pinpoint the number of years the respective facilities they worked for had operated. Assessing the organizational life was necessary because it would help to evaluate maturity levels of the facilities, which generally impact on various aspects of managerial practices (Muafi, 2009). The results are displayed here bellow.

Table 4.2: Number of Years Private Health Facilities were in Operation

Period	Frequency	Percentage
1-5 years	2	3.5
6-10 years	3	5.3
11-15 years	7	12.3
Over 15 years	46	78.9
Total	**58**	**100**

Source: Primary Data

As portrayed above, more than 91.2% of the private health facilities had been in existence for more than 5 years. The length of life of an organizational is strongly correlated with its maturity. Therefore, that majority of private health facilities were mature enough for participation and scrutiny in this study is arguable.

4.3.2 Tenure of Respondents

The findings tied to the respondents' tenure are presented. Tenure was measured by the period of time a respondent had operated or served in a facility. Below is shown the frequency distribution of the respondents by tenure at their respective health facilities.

Table 4.3: Distribution of Respondents by Tenure

Period	Frequency	Percentage
Less than 1 year	4	6.9
1-3 years	12	20.7
4-6 years	10	17.2
7-9 years	9	15.5
Over 9 years	23	39.7
Total	**58**	**100**

Source: Primary Data

A majority of respondents (72.4%) had tenure of more than 4 years, which is considerably a lengthy period of time. It can be inferred that employees who had relatively longer tenure were more informed about the organizational culture, processes, functions and performance trends than those who had stayed for shorter durations. Given the relatively long tenure of majority of the respondents, it was argued that they were sufficiently knowledgeable about the health facilities they worked for, thus were well positioned to respond to and fill in the questionnaire presented to them.

4.4 Manifestations of the Study Variables

The current inquiry was premised on four observable variables: strategy, culture, external environment and performance. There was also one analytically determined (unobserved) variable, that is, strategy-culture co-alignment. The variables were operationalized along various dimensions. These dimensions or constructs portrayed how the variables manifested within the health facilities. This section is devoted to presentation of results depicting how these variables were manifested in the health facilities. The parameters used include: mean, coefficient of variation and one sample *t*-test. Coefficient of variation is a measure of variability that determines the ratio of standard deviation to the mean. The measure shows how values are distributed from the mean. High values of CV are an indication that responses on the manifestation of a particular variable are highly divergent. On the other hand, low values of CV signify convergence and precision in responses with respect to manifestation of a given variable. A one-sample *t*-test was conducted based on a known-fixed test-value of 3, which represents the mid-point of a 5-point Likert scale. The *t*-values and corresponding *p*-values indicated how statistically significant the variables occurred from the mid-point. Therefore, the one sample *t*-test was instrumental in demonstrating how the research respondents varied in reference to the way variables manifested in their organizations.

4.4.1 Organizational Strategy

Strategy was operationalized into Nine (9) items categorized into three strategy constructs. The respondents were told to report on the range by which some statements descriptive of strategy applied to their health facilities. This was on a 5-point Likert scale.

The scale ranged from 1 to 5. In it, 1 represented "Not at all" and 5 denoted "Very large extent." The results generated from the analysis of the respondents' responses are displayed here bellow.

Table 4.4: Organizational Strategy

Statements	N	Mean score	CV %	t-value	Sig. (2-tailed)
A. FUTURITY					
In making strategic decisions, we look into the future to anticipate conditions	55	4.31	0.15	15.30	0.00
We emphasize investments that will provide us with future competitive edge	55	4.44	0.14	16.87	0.00
We sacrifice short-term profitability for long-term goals	58	3.83	0.24	6.70	0.00
B. PROACTIVITY					
In making strategic decisions, we constantly seek to introduce a new product or service in the market	58	4.17	0.20	10.62	0.00
In analyzing situations, we evaluate possible consequences thoroughly and obtain alternatives	57	4.11	0.20	10.22	0.00
We seek opportunities that have been shown to be promising	58	4.29	0.20	11.75	0.00
We search for big opportunities and favour large and bold decisions despite the uncertainty of their outcomes	57	3.54	0.31	2.72	0.00
C. ANALYTIC					
We implement our strategic decisions on a 'stage by stage' basis rather than 'blanket' implementation	57	4.18	0.23	9.19	0.00
In making strategic decisions, we respond to signals of opportunities quickly	58	4.07	0.21	9.52	0.00
Overall Mean Score		**4.10**			

Source: Primary Data

The overall mean score for the organizational strategy dimensions was 4.10. Based on the 5-point Likert scale, the overall mean score fell slightly above the "large extent" rating. This implied that most of the organizational strategy dimensions outlined in the scale were applicable to majority of the study units to an extent that is large. Another key finding observable from Table 4.4 is that there were mixed outcomes concerning the degree to which the respondents concurred with certain elements of strategy in their facilities. While some aspects received high ranking, others received relatively low ranking. For instance, a large number of respondents assented that strategy was futuristic in orientation and that it involved laying emphasis on investments that would provide a competitive edge in the future to an extent that large. This statement had an average score of 4.44, the highest ranked of all the organizational strategy elements.

In addition, the statement recorded the lowest CV of 14%, implying that there was high level of consensus among the respondents that indeed the statement was true and reflected the situation of their health facilities. Closely following this statement in terms of ranking was another futuristic organizational strategy: "In making strategic decisions we look into the future to anticipate conditions," with a mean score of 4.31.

These findings suggest that the organizational strategies for most large private health facilities in Kenya are futurity-based rather than being proactive and analytical. Besides, the statement recorded the second lowest CV of 15%, indicating that respondents' agreement was at a high level, that the statement was true and pointed to the exact situation in the facilities in which they worked.

The statement, “We search for big opportunities and favour large and bold decisions despite the uncertainty of their outcomes,” received the lowest ranking by the respondents as indicated by a mean score of 3.54. According to the scale, this implies that the participants concurred with the statement to a moderate extent. The statement also typified the level of proactivity in the organizational strategy of the facilities being studied. With the low ranking, it can be argued that most of the private health facilities do not adopt proactive strategies in gaining long-term advantages. Moreover, the statement had the highest CV of 31%, further illustrating the relatively high level of disagreement among the respondents regarding its applicability to their health facilities.

Table 4.4 also shows the one-sample *t*-test values for all the items in the “Organizational strategy” scale and their associated *p*-values. Similar to the ranking order based on the mean scores, the statement “We emphasize investments that will provide us with future competitive edge,” had the highest *t*-test value (t (54)=16.87, $p< .05$). Comparably, the statement, “We search for big opportunities and favour large and bold decisions despite the uncertainty of their outcomes,” had the least *t*-test value (t (56)=2.72, $p < .05$).

It is further clear from the results that all the items in the scale had *p*-values that met the conventional significance threshold. This was an indication that differences between the respondents who agreed and those who disagreed with the items in the “Organizational strategy” scale were statistically significant. In other words, these differences did not occur by chance.

4.4.2 Organizational Culture

The current inquiry set off to assess the implications of organizational culture on the performance of facilities in question. In this regard, participants were requested to indicate the range by which they felt that organizational culture impacted the performance of their facilities. It was operationalized into Twenty-One (21) items grouped into four constructs, namely: process, job, profession and pragmatic orientations. The respondents were presented with questions and the results produced from the analysis of the responses are displayed in here below.

Table 4.5: Organizational Culture

Statement	**N**	**Mean score**	**CV %**	***t*-value**	**Sig. (2-tailed)**
A. PROCESS ORIENTATION					
We have clear assignment of responsibilities that support strategy implementation	58	4.22	0.17	12.83	0.00
We have work processes that are highly automated	58	3.78	0.20	7.88	0.00
We have decision making process that is highly decentralized	52	4.02	0.23	8.01	0.00
The systems used to manage the facility have always been adopted to support strategy implementation goals	58	4.09	0.17	11.69	0.00
We perceive our practices differently at different levels of strategy implementation to ensure appropriate results	58	3.98	0.22	8.43	0.00
B. JOB ORIENTATION					
We are mostly concerned with employee performance	57	4.18	0.19	11.03	0.00
We measure employee performance and reward it accordingly	58	3.90	0.18	9.51	0.00
We have established effective systems, guidelines and policies	57	4.12	0.19	10.86	0..00

Organizational Culture Cont…

We avoid risks in our business practices	58	3.83	0.20	8.13	0.00
We often do capacity building to the employees as needs arise	55	4.02	0.27	6.88	0.00
The input of every employee is considered in management decisions to ensure that job is well done	57	4.07	0.21	9.36	0.00
C. PROFESSION ORIENTATION					
We have the ability to analyze and predict the behavior of competitors	58	3.67	0.23	6.06	0.00
We have highly charged, motivated and loyal employees	57	3.95	0.22	8.18	0.00
We have rare, valuable and imperfectly imitable facility culture	57	3.61	0.30	4.35	0.00
We have high level of client service quality	58	4.14	0.17	12.17	0.00
We provide enough resources to all units to enable quality strategy implementation	57	4.02	0.21	9.21	0.00
We have professional knowledge embedded in the facility culture	57	4.23	0.19	11.25	0.0
D. PRAGMATIC ORIENTATION					
We are often flexible in dealing with the client	57	4.35	0.18	13.29	0.00
We make decisions according to the situation at hand	57	4.18	0.20	10.74	0.00
We have the client satisfaction as the driving force in our facility	57	4.36	0.17	14.18	0.00
We rarely follow rules and procedures to the letter in our operations and processes	57	2.47	0.56	-2.86	.006
Overall Mean Score		**3.96**			

Source: Primary Data

As indicated above, the overall average score for all the items in the "Organizational culture" was 3.96. This finding implies that participants concurred and agreed to a large extent with the organizational cultural practices conducted in their health facilities. Generally, the mean item scores were highest for the statement "We have the client satisfaction as the driving force in our facility," with an average score of 4.36. This finding was an indication that the study units focus on an organizational culture that entails traits geared towards improving customer satisfaction to an extent that is large. The second top rated item was the statement, "We are often flexible in dealing with the client," which had a mean score of 4.35. This has the implication that large private health facilities in Kenya have an organizational culture, which to a large extent conveys a sense of value to their patients by displaying the ability to adapt to their ever-changing needs.

The statement, "We rarely follow rules and procedures to the letter in our operations and processes," had the lowest average score of 2.47. This demonstrated that most participants agreed that they follow policies and procedures set up by their health facilities only. It is evident from this finding that large private health facilities in Kenya have an organizational culture with standardized practices, policies and procedures designed to ensure that the employees follow the proper steps when caring for patients. As pertains to the dispersion of the participants' responses, Table 4.5 shows that three items had the lowest CV. One of the items was the statement, "We have clear assignment of responsibilities that support strategy implementation," with 17% CV.

This finding suggested that there was high level of agreement among participants, that their health facilities had clear frameworks for assigning responsibilities to employees aimed at fostering strategy implementation. The second statement was, "The systems used to manage the facility had always been adopted to support strategy implementation goals," with a CV of 17%. This implied that consensus was at a high range in opinion among the participants as regards the statement. The third statement that registered the lowest CV was, "We have high level of client service quality." This statement also had a CV of 17%, implying that there was high consensus among the respondents over the view that their health facilities had an organizational culture that promoted operational and service experience. Lastly, the statement "We have the client satisfaction as the driving force in our facility" had the lowest CV of 17%. This was an indication that the participants showed high levels of unanimity in their view, that culture was focused on improving customer satisfaction in their facilities.

Conversely, the statement, "We rarely follow rules and procedures to the letter in our operations and processes," had 56% of CV, which was the highest. This showed that there was disagreement among the participants as pertains to an organizational culture, of not following policies and procedures in service delivery. A one-sample *t*-test for all the organizational culture items was also conducted. All the items had *p*-values that fell within the conventional significance threshold. This suggested that the differences between the respondents who agreed and those who disagreed with the statements were significant. In other words, these differences did not happen by chance, but rather had other explainable causes.

The statement, “We have the client satisfaction as the driving force in our facility,” had the highest *t*-value (t (56)=14.18, $p < 0.05$). This statement was closely followed by, “We are often flexible in dealing with the client,” which recorded a *t*-value of t (56)=13.29, $p< 0.05$. Lastly, the statement, “We rarely follow rules and procedures to the letter in our operations and processes,” recorded the least *t*-value for the statistically significant items. Specifically, the item had a *t*-value of t (56)= -2.86, $p< 0.05$.

4.4.3 External Environment

The inquiry, further set off to explore the underlying mechanisms by which the effect of co-aligned variables impact on the outcomes of facilities. As regards this aspect, the role of external environment as a moderator at the middle of the predictor and criterion variables was evaluated. It was assumed that the full effects of external environment could be understood better from the standpoint of key stakeholders of the health facilities.

A blend of open-ended and closed-ended queries was thus utilized in the questionnaire so as to capture the manifestation of external environment comprehensively. The queries posed to the participants were centered on issues such as the nature of factors in the environment, complexity, munificence and dynamism of those factors. In order to obtain the required information, the respondents were presented with an open-ended question that asked, “How do you describe the external environment in which your facility operates?” The following selected written comments by the respondents highlight the business setting in which the health facilities operated.

> "It is a highly competitive environment. We are not public hospitals where a lot of services are offered for free; people pay relatively higher amounts of money to access our services. Because of the affordability of public hospitals, many patients are attracted to them and choose to seek services there. So at the end of the day, you find that there is a lot of competition between our facility and neighboring public health facilities." Hospital Administrator 001

Another respondent in charge of one of the large private health facilities considered in the study commented:

> "We get a lot of competition from other private health facilities. That is the kind of environment we operate in. When patients seek services from private health facilities, they expect to get the best health care. If we fall short of their expectations, they simply turn to the next private health facility." Hospital Administrator 002

An administrator in one of the large private health facilities made the following comments:

> "I would describe it as competitive. Many patients prefer to access healthcare services from government-controlled facilities because they are generally cheaper. Consequently, the private health facilities have to compete for the remaining few patients who can afford our services." Hospital Administrator 003

These comments by the respondents depict the external environment of most large private health facilities in Kenya as being characterized by stiff competition. It can be further deduced from the comments that the competition emanates from the ever-increasing pressure to deliver quality service care, aimed at enhancing the patients' experiences, expectations and satisfaction. The competition also stems from the provision of cheaper services by government-controlled health facilities and the small number of patients who are able to afford private healthcare.

The second theme that arose from the comments related to political influence. The following are excerpts of written comments made by a managing director in one of the large private health facilities.

> "Our external environment is heavily affected by government policies. Even though we belong to the private sector, the government has the last say in matters concerning healthcare in the country. After all, the government makes regulations.
>
> For instance, some of the legislations and policies that the government passes tend to favour the public health facilities more than private health facilities." Managing Director 001

Another managing director, describing the external environment of the health facility he worked for noted:

> "For the most part, the government exerts a huge influence in our operations. Our model is profit-based, meaning that we try as much as possible to minimize the factors of production such as the cost of running hospital equipment, machines and buying of drugs. When we incur little costs on these items, our profit margins increase and we are able to stay in business. In the event that the government passes unfavorable legislations that affect at least one of our factors of production, our existence is often threatened. For instance, recently the government passed a legislation meant to increase fuel tax. This increase in fuel tax led to a corresponding increase in fuel prices and cost of electricity. As a large hospital, we have many heavy medical machines that need to be constantly running. Therefore, legislation by the government was a huge blow to us." Managing Director 002

In addition, a human resource manager in one of the health facilities opined:

> "This facility is mostly affected by political factors. A majority of our clients are citizens who are relatively well off. In essence, therefore, if the economy is not doing well, it means that their sources of income are affected in one way or another. The political ruling class plays a huge role in ensuring that the economy of the country is either doing well or not. If the political class does a poor job and the economy performs poorly, it means that our clients may not be able to afford our services and this may drive them to seek cheaper alternatives." Human Resource Manager 002

These comments indicated that political factors are a key characteristic of the external environment for most large private health facilities in Kenya. The comments portray political issues as a broad arena. The political issues span a whole range of policies and legislations that impact on the livelihood of ordinary citizens and consequently, the sustainability of large private health facilities.

Another emergent theme from the participants' responses was that of dynamism. The following excerpts provide a further insight as per the dynamic nature of the surrounding scenario for the private health facilities.

> "It is dynamic. We are living in the 21st century and there is so much going on in terms of technological advancement. The technologies are evolving every day and being in the medical field, we have to keep abreast because that is what our clients want. They want access to the best medicine, the best medical equipment and the best care." Human Resource Manager 005

Another respondent commented:

> "It is ever-changing. Our clients come to us because they believe that we provide better healthcare services than other facilities. However, what is considered quality care is never in a state of equilibrium; it is constantly evolving. The best treatment today could become obsolete by tomorrow. As a health facility, the sheer dynamic nature of the medical field is very impactful." Medical Superintendent 001

Another hospital administrator pointed out:

> "Our external environment is affected by multiple factors, such as economic, cultural, political and technological issues.
> These factors evolve with time and as a health facility, we have to ensure that we respond to them effectively, or else we risk running out of business. In regard to these factors, I would simply describe our external environment as very dynamic." Hospital Administrator 006

To better understand the external environment of the unit of study, the concerned participants were asked a three-pronged question touching on means of gathering market intelligence data. The first part of the question sought to find out whether or not the respondents' health facilities conducted regular collection of information relating to the external environment of their facilities. The second and third parts of the question sought to determine how the information was collected and the reason for collecting the information, respectively. Table 4.6 displays the distribution of respondents whose health facilities conducted regular collection of information on external environment and those that did not.

Table 4.6: Collection of Information on External Environment

	Frequency	**Percentage**
Yes	47	81.5
No	11	18.5
Total	**58**	**100**

Source: Primary Data

Majority of respondents, (81.5%), indicated that their health facilities conduct regular collection of information pertaining to the external environment of their institutions. These results suggest that most organizations recognize the value of decision making that is based on evidence, as a strategy for maintaining a competitive edge in the healthcare market.

To further understand the information collection practices of the private health facilities, the respondents were supplied with an open-ended question that asked how and for what purpose the data gathering exercise was conducted. A number of emergent themes were identified from the respondents' responses. The following excerpts highlight the use of benchmarking technique by the private health facilities.

> "We try and scan our external environment through benchmarking. We send out a team of our doctors to other hospitals that have an outstanding track record in terms of service delivery. When they go to these hospitals, they are able to acquire new skills and discover weaknesses that hinder our health facility from excelling further. They bring these new ideas and knowledge and we use them to improve our decision-making processes." Nursing Officer in-Charge 001

Another respondent pointed out:

> "The most common technique we use is benchmarking. By sending our personnel to other health facilities, we are able to learn new developments and emerging trends being practiced by our competitors that we have not adopted yet. This knowledge is important because it helps us plan better. For instance, the information helps us figure out whether we need new staff or whether those that are there need to undergo further training." Project Co-ordinates 001

Further, a participant whose health facility uses benchmarking to collect information commented:

> "We basically send out our executives to other bigger health facilities both in the country and outside. When they go for these benchmarking activities, they are required to make observations on a number of things, such as quality of service, staffing, use of information technologies and financing.
> Upon return, we use this information to see how we measure up to the health facilities and then we plan for the future more effectively." Human Resource Manager 007

These comments revealed that the most common method used to collect information about the external environment of large private health facilities in Kenya involved benchmarking activities. These activities often involved sending out personnel to peer health facilities to monitor the contemporary practices and standards of the facilities.

Through benchmarking, the private health facilities are able to determine how the best peer facilities achieve the levels of performance they do and then use the information to improve their own performance. It also emerged from the responses that conducting market surveys represented another method by which the facilities scanned their business environment. The following selected written comments from respondents provide additional details on the extent to which market surveys are used:

> "We have a fairly straightforward approach where we use market surveys to gather information about what is happening in our external environment. Our marketing department organizes these surveys. Besides, there are numerous market research reports on the Internet, where we can easily get information. For the most part, we use this information to analyze our competitors' strengths." Managing Director 006

In relation to the use of market surveys, another respondent added:

> "Market surveys. We contract market research companies to do the surveys for us. The reports we get are of great benefit because we are able to screen and monitor our key competitors. We also use the information to identify and evaluate new opportunities, such as expanding to new locations." Finance Officer 001

Another respondent made the comment:

> "We get our information through market research. The marketing team conducts surveys to gain insights into the latest developments and trends in the line of our business. There is also plenty of information online about our market that we normally use. Sometimes we seek the help of market consultants who advise us on the state of key influences to our health facility." Senior Nurse 001

The emergent theme from the comments shows that besides benchmarking activities, large private health facilities in Kenya rely heavily on market surveys to scan their external environment. The surveys were carried out either by the marketing department of the health facilities or contracted market research firms. It is also evident from the comments that the information gathered through the surveys had varied uses, which included monitoring external influences, competitor analysis and identification of the latest developments and trends in the market.

The intent for collecting information relating to the external environment of the private health facilities was strategic decision making. The written comments portrayed this as the main reason. The following excerpts of the respondents' written comments provide further details about the information utilization for making of decision that are strategic.

> "Collection of data involves use of market surveys. The chief driver in conducting these surveys is the need to support our strategic decision-making processes. We are a business that is in the market not only to improve the lives of other people, but also make profits. At the end of it all, there are some decisions that have to be made. The health facility has to develop its own vision and goals. The information collected thus plays a very critical role in providing our key stakeholders and decision makers with an objective view of the market." Hospital Administrator 008

In another comment illustrating the utilization of the gotten-information in making of strategic decision, one of the respondents noted:

> "Our data collection method primarily involves market research. We use the information to enhance our decision-making processes. Being a for-profit making health facility, we have to be careful with the business moves we undertake.
>
> In this regard, risk assessment is important and the market research data we collect is very useful in generating detailed forecasts of economic situations in the future. We then use these forecasts to make sure that the decisions we make are not risky to our business model." Medical Superintendent 002

One of the hospital administrators described the purpose of collecting information as follows:

> "For the longest time, we have been using market surveys to collect information about our external environment. It is a very cost-effective method.
> Typically, the information we obtain from these surveys is published in a report. The report is then used in various decision-making processes of the health facility, such as financial planning." Hospital Administrator 010

The emergent theme from the comments revealed that the key motivation in scanning the external environment of most of the unit of study is in support of strategic decisions. Gathered information was supplied to the decision makers at the health facilities to provide them with objectivity in their leadership roles.

As evident in the comments, the strategic decisions often entail developing organizational vision and goals, forecasting and financial planning. The following selected extracts from the participants' responses provide further details on the use of the collected information for competitor analysis purposes.

> "We collect information about our external environment through market surveys. There are a lot of players in this region in the same line of business as this facility. The information we obtain comes in very handy in scanning these players. We use the information to discover the weaknesses and strengths of some of the players as well as those that are new into the market." Finance Officer 005

Another respondent commented:

> "Our facility uses benchmarking to collect the information. We use the information to analyze the structure and practices of the health facilities for which we go for benchmarking. By analyzing the structure and practices of the facilities, we are able to know what our competitors are up to and the level of threat they pose to our business." Managing Director 007

One of the respondents pointed out:

> "Primarily, we use the market survey method. Typically, the data obtained is carefully analyzed and used to generate detailed competitor analysis reports. Monitoring the operations and performance of our health facility is important in identifying various ways by which we can develop a niche for ourselves, where we can offer services that are different from those of our competitors." Human Resource Manager 009

The comments indicated that among the top motivations for scanning the external environment of most facilities was competitor analysis. By monitoring the influence of their competitors, the private health facilities are able to set performance targets. They are also able to determine threats to their business models. It also emerged that through competitor analysis, the health facilities would be able to explore new strategies based on differentiation of services with an ultimate focus on development of a niche market.

4.4.3.1 Environmental Complexity

External environment was assessed using a series of constructs. One of the constructs was complexity, which all about heterogeneity of issues in the environment. This construct sought to assess the number of environmental issues that had influence on strategic decision-making in the unit of study. The results pertaining to the number of environmental issues that the facilities had faced in the previous five years, as illustrated below.

Table 4.7: Number of Environmental Issues faced by facilities

Factor	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2 – tailed)**
Political factors	58	2.68	0.41	-2.19	.033
Economic factors	58	3.55	0.26	4.44	.000
Technological factors	58	3.67	0.22	6.22	.000
Social-cultural factors	58	3.39	0.28	3.04	.004
Ecological factors like weather conditions	57	2.74	0.37	-1.94	.058
Competition in the industry	58	3.82	0.29	5.64	.000
Your creditors' actions	57	3.55	0.26	4.54	.000
Client behaviour	58	4.00	0.23	8.33	.000
Legal requirements	58	3.24	0.31	1.72	.091
Trade union's activities	57	2.81	0.42	-1.23	.225
Bargaining power of suppliers over your facility	57	3.09	0.31	0.70	.489
Labour market dynamics	57	3.73	0.41	5.58	.000
Overall Mean Score		**3.36**			

Source: Primary Data

The overall mean score for the items assessing environmental complexity issues of large private health facilities in Kenya was 3.36, an indication that the facilities faced moderate amount of complex environmental issues. Client behaviour and competition in the healthcare industry were ranked the highest (M= 4.00 and M=3.82) respectively. Thus they represent the most frequent issues that the facilities concerned themselves with.

On the contrary, ecologically related issues, such as weather conditions and political factors were ranked the lowest (M=2.74 and M=2.68) respectively, implying that the health facilities had only to deal with a few of these issues. It is evident in Table 4.7, that trade union activities were linked to the highest CV of 42%. This was an indication that there were highly fragmented views among the respondents as to whether or not trade union events were the most frequent issues the facilities needed to deal with.

Political factors and labour market dynamism were associated with the second highest CV of 0.41%, respectively. This denoted a further lack of consensus among respondents that these factors were among the most frequent environmental issues that the facilities needed to address. Contrastingly, technological factors recorded the lowest CV of 22%. This indicated the presence of an overwhelming convergence in agreement among respondents that indeed technological factors were the least frequent issues that the health facilities had to handle.

Statistically significant differences were reported for political factors value *(t* (57)= -2.19, p=0.033), economic factors (*t* (57)=4.44, p=0.000), technological factors (*t* (57)=6.22, p =0.000), competition in the industry (*t* (57)=5.64, p=0.000), creditors' actions (*t* (56)=4.54, p=0.000), client behaviour (*t* (57)=8.33, p=0.000) and labour market dynamics value (t (56)=5.58, p=0.000).

Generally, these results reveal that there was significant disparity across the health facilities. This is in connection to the volume of issues that they have to grapple with. Results of the similarity and dissimilarity of various environmental factors that had to be addressed by the health facilities are show below.

Table 4.8: Number of Issues in Each Environmental Aspect that are Similar/Dissimilar

Environment Aspect	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2 – tailed)**
Political factors	58	2.76	0.44	-1.51	0.140
Economic factors	58	3	0.41	0.00	1.000
Technological factors	58	3.19	0.39	1.16	0.250
Social-factors	58	2.81	0.40	-1.30	0.200
Ecological factors	58	2.83	0.40	-1.27	0.250
Competition in the industry	58	3	0.47	0.00	1.000
Your creditors' actions	57	2.82	0.44	-1.07	0.290
Client behaviour	58	2.83	0.45	-1.03	0.310
Legal factors	58	2.84	0.44	-.95	0.340
Trade union's activities	58	2.76	0.44	-1.51	0.140
Bargaining power of suppliers over your facility	58	2.86	0.41	-90	0.370
Labour market dynamics	58	2.97	0.44	-0.20	0.840
Overall Mean Score		**2.89**			

Source: Primary Data

The overall average score for all the items was 2.89, signifying that large private health facilities in Kenya confront somewhat/slightly similar number of environmental issues. It is evident from Table 4.8, that the participants ranked the few or many environmental aspects differently. The results show high ranking for technological factors (*M*=3.19), competition in the industry (*M*=3) and economic factors (*M*=3). This means that issues faced by the organizations being studied and that relate to these environmental aspects were neither similar nor different in number. Both political factors and trade union activities had the lowest mean scores of 2.76.

This was an indication that issues faced by the organizations and that which relate to political and trade union activities were somewhat similar in number. Table 4.8 also shows that industry competition was linked to the highest CV of 47%. The implication here was that there was no convergence in agreement across the health units on the similarity or dissimilarity in the number of issues pertaining to competition in the industry. Conversely, technological factors reported the lowest CV of 39%. This suggested that there was consensus among the private health facilities on the similarity or dissimilarity in the number of issues relating to technology.

A *t*-test done, explored whether or not differences in similarity or dissimilarities of environmental factors confronting the health facilities were significant. The *p*-values for all the environmental factors did not reach the conventional significance threshold. Therefore, it could be inferred that differences in the level of similarity or dissimilarity in the number of issues faced by the health facilities happened by chance.

4.4.3.2 Environmental Munificence

Munificence describes the level of abundance or scantiness of resources in the external environment of an organization. For this study, munificence was measured in terms of how changes in various environmental factors had been favourable to the performance of the health facilities. If the changes had been favourable, then it implies that there was availability of resources required by the health facilities. On a 5-point Likert scale, the participants were asked to mark the range at which they perceived growth in various aspects as having been favourable to their health facilities.

Table 4.9: Environmental Munificence

Environment Aspect	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2 – tailed)**
Political factors	57	2.61	0.44	-2.51	0.150
Economic factors	57	3.40	0.23	3.93	0.000
Technological factors	58	3.62	0.21	6.15	0.000
Social-factors	57	3.28	0.23	2.83	0.010
Ecological factors	57	3.05	0.31	0.43	0.670
Competition in the industry	58	3.53	0.29	4.02	0.000
Your creditors' actions	56	3.52	0.25	4.33	0.000
Client behaviour	58	3.78	0.22	7.05	0.000
Legal factors	55	3.21	0.31	1.60	0.120
Trade union's activities	57	2.25	0.46	-5.48	0.000
Bargaining power of suppliers over your facility	57	3.00	0.29	0.0	1.000
Labour market dynamics	57	3.28	0.28	2.30	0.025
Overall Mean Score		**3.21**			

Source: Primary Data

The overall mean score for the items assessing environmental munificence of large private health facilities in Kenya was 3.21; meaning that developments in various environmental factors were favourable only to a moderate extent. The results show high ranking for client behaviour (*M*=3.78), technological factors (*M*=3.62) and political factors (*M*=3.61). Trade union's activities recorded the lowest mean score, that is (*M*= 2.25).

This average score was an indication that developments in trade union activities favoured performance of the private health facilities to a small extent. Table 4.9 also reveals that the CV for trade union activities was the highest, as indicated by a score of 46%. This implied that there wan lack of convergence in agreement from respondents pertaining to the degree to which trade union activities had been favourable to the performance of health facilities. On the other hand, technological factors recorded the least CV as indicated by a score of 21%. This implied that there was unanimity across the private health facilities that technological factors were favourable to the performance of the facilities to a moderate extent.

Reports on significant differences for all the environmental aspects with the exception of bargaining power of suppliers, political, ecological and legal factors are shown. The *p*-values for these factors did not reach the conventional significance threshold, implying that the differences reported for these factors were not statistically significant. In other words, the variations across the private health facilities as to whether bargaining power of suppliers, political, ecological and legal factors were favourable, arose by chance.

As pertains to the environmental aspects that were reported to have statistically significant results, client behaviour had the highest *t*-value (t (57) =7.05, $p < 0.05$). On the contrary, activities conducted by trade union recorded the lowest *t*-value (t (56) = -5.48, p <0.05). Some of the environmental aspects recorded statistically significant results. The implication was that the variations across the private health facilities as to whether or not the aspects were favourable did not emanate from chance. It was by other factors.

4.4.3.3 Environmental Dynamism

Dynamism refers to turbulence in the surrounding environment and uncertainties associated with such changeability. To this end, environmental turbulence was evaluated on the basis of how predictable and changeable various factors linked to the health facilities were. Therefore, the participating respondents were requested to pinpoint the range by which they perceived development in various environmental aspects of their health facilities as having been predictable. Additionally, they were to give a report about the range of change witnessed in various aspects over a period of five years. Below is an exposition of results relating to the predictability of environmental factors.

Table 4.10: Environmental Predictability

Environment Aspect	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2 – tailed)**
Political factors	58	2.55	0.44	-3.03	0.000
Economic factors	58	3.14	0.29	1.13	0.261
Technological factors	58	3.34	0.25	3.17	0.000
Social-factors	58	3.05	0.34	0.38	0.700

Environmental Predictability Cont….

Ecological factors	57	3.05	0.33	0.39	0.700
Competition in the industry	58	3.57	0.30	4.08	0.000
Your creditors' actions	56	3.29	0.32	2.14	0.040
Client behaviour	58	3.29	0.36	1.91	0.060
Legal factors	57	3	0.35	0.00	1.000
Trade union's activities	58	2.62	0.43	-2.58	0.010
Bargaining power of suppliers over your facility	58	3.19	0.30	1.50	0.140
Labour market dynamics	58	3.1	0.40	0.63	0.530
Overall Mean Score		**3.10**			

Source: Primary Data

The overall mean score for predictability of development in various factors in the external environment of the facilities was 3.10, an indication that the development was reasonably predictable. Another key finding observable from Table 4.10 is that there were mixed outcomes concerning the extent to which the respondents rated the predictability of development in some environmental aspects. The results show high ranking for competition in the industry (*M*=3.57), technological factors (*M*=3.34), creditors' actions (*M*=3.29) and client behaviour (*M*=3.29). This suggests that development in these factors was easily predictable. Political factors had the lowest mean score, that is, 2.55. This was an indication that development in political factors in the previous five years had been predictable to a less extent.

Table 4.10 shows that political factors had the highest CV, indicated by a score of 44%, seconded by trade union's activities with 43%. The implication of these scores is that there lacked convergence in agreement across board on the range at which development in political factors and trade union's activities had become predictable. Technological factors recorded the least CV as indicated by a score of 25%.

This means that there was high consensus among the participants that development in technological factors was moderately predictable. A *t*-test was also carried out to establish whether or not variations across the private health facilities with respect to predictability were significant. Statistically significant differences were reported for the environmental factors, excluding: economic, social, ecological, legal, client behaviour, bargaining power and labour market dynamics. These exceptional factors signified that differences among private health facilities in the degree to which development in these factors had become more predictable were as a result of chance.

Another measure of dynamism considered in the study was the amount of change that had been reported in various environmental aspects of the facilities in the previous five years. In this regard, the respondents were requested to report on the level of change that they had witnessed in various environmental aspects of their health facilities. Below is displayed a summary of the participants' responses.

Table 4.11: Changeability in the External Environment

Environment Aspect	N	Mean Score	CV %	*t*-value	Sig. (2 –tailed)
Political factors	58	3.1	0.40	0.63	0.530
Economic factors	58	3.66	0.28	4.82	0.000
Technological factors	58	3.81	0.25	6.53	0.000
Social-factors	58	3.36	0.29	2.85	0.010
Ecological factors	58	3.1	0.31	0.83	0.410
Competition in the industry	58	3.86	0.24	6.95	0.000
Your creditors' actions	57	3.42	0.31	2.98	0.000
Client behaviour	58	3.76	0.24	6.39	0.000
Legal factors	58	2.9	0.35	-0.77	0.440
Trade union's activities	58	2.76	0.40	-1.68	0.100
Bargaining power of suppliers over your facility	58	3.43	0.31	2.43	0.020
Labour market dynamics	58	3.29	0.28	3.70	0.000
Overall Mean Score		**3.38**			

Source: Primary data

The overall mean score for the amount of the experienced turbulence in various environmental issues was 3.38, suggesting that only moderate changes had been witnessed. Competition in the industry and technological factors received the highest ranking (M=3.86 and M=3.81) respectively. These findings indicated that the private health facilities had witnessed a fair amount of changes in terms of technology and competition.

To the contrary, trade union activities received the least ranking, that is, 2.76. This was closely followed by legal factors, which recorded a mean score of 2.9. These findings imply that the private health facilities had observed little changes in regard to legal and trade union activities in the previous five-year period.

The results also show that political factors and trade union activities were associated with the highest CV. Each of these environmental aspects recorded a CV of 40%. These results implied the absence of convergence in agreement across board, on the amount of change that had been observed in relation to political factors and trade union activities. On the contrary, competition in the industry reported the least CV of 24%. This suggested that there was unanimity across the private health facilities on the amount of change that had been noticed as per the competition within the industry.

A one sample *t*-test revealed statistically significant differences for all the environmental factors. This excluded political factors, ecological factors, legal factors and trade union activities. These non-statistically significant results implied that although there were considerable differences among the private health facilities regarding the amount of change observed in these factors, the differences happened by chance.

4.4.4 Organizational Performance

Organizational performance featured as the study outcome variable. Performance of the health facilities was operationalized into four constructs. This section exposes results as generated from the analysis of the responses from respondents pertaining to the four constructs. Table 4.12 depicts the results.

Table 4.12: Aligning Strategic Behaviour with Cultural Development on Facility Performance

	Frequency	**Percentage**
Yes	53	91.3
No	5	8.7
Total	**58**	**100**

Source: Primary Data

Table 4.12 depicts that majority of respondents (91.3%) perceived aligning strategic behaviour and cultural developments as crucial to performance of their health facilities. About 8.7% of the respondents indicated that interacted with cultural developments, strategic behaviour did not necessarily influence organizational performance. These results reveled that for most large private health facilities, it was perceived that aligning strategic behaviour with organizational culture led to better firm performance.

4.4.4.1 Operational Efficiency

Further insight was sought on various organizational performance dimensions. This section focuses on operational efficiency, one of the performance dimensions. It was assessed by the extent to which various operations and systems in place at the private health facilities ensured that there was consistent provision of high-quality services. The respondents were provided with a set of statements descriptive of operational efficiency. They were asked to pinpoint the range at which the issue was relevant to their health facilities. Below is displayed the analytical results obtained.

Table 4.13: Operational Efficiency

Statement	N	Mean Score	CV %	*t*-value	Sig. (2-tailed)
High-quality administrative systems are in place (financial, human resources, program, strategy, etc) to support the efficiency of the organization	53	4.21	0.24	8.57	0.000
Optimal use of financial resources in the facility is made	55	3.93	0.27	6.43	0.000
Frequency of system breakdown is very high	57	2.7	0.48	-1.72	0.090
Optimal use of physical facilities (buildings, equipment) is made	57	4.28	0.18	12.89	0.000
Timeliness of service delivery is ensured	58	4.26	0.16	13.89	0.000
There is high client inflow as depicted by registration files	58	4.31	0.15	15.25	0.000
Costs per client served is established to ensure efficiency	55	4.29	0.14	15.995	0.000
Our service quality has improved in the last five years	58	4.52	0.13	19.28	0.000
Our market share has been improving in the last five years as evidenced by registration files	58	4.36	0.15	16.19	0.000
We are keen on operations and processes that can reduce costs	56	4.48	0.14	27.54	0.000
Clients' complaints are responded to within 24 hours	56	4.14	0.19	10.74	0.000
Overall Mean Score		**4.13**			

Source: Primary Data

As depicted above, the overall mean score for the items assessing operational efficiency in large private health facilities was 4.13. This average score falls slightly above the "large extent" rating scale. This mean score was an indication that operations and systems in the unit of study are efficient to a large extent.

Moreover, it is illustrated that the respondents ranked the efficiency of various operations and systems in large private health facilities differently. The mean item scores were highest for the statements, “Our service quality has improved in the last five years” and “We are keen on operations and processes that can reduce costs,” with an average score of 4.52 and 4.48 respectively. This finding was an indication the study units focused on cost-effective operations and processes that are geared towards minimizing the costs to an extent that is large, a factor that leads to improved quality service.

The third top ranked item was the statement, “Our market share has been improving in the last five years as evidenced by registration files,” with a mean score of 4.36. This has the implication that operational efficiency of the facilities is characterized by market expansion. The statement, “Frequency of system breakdown is very high,” recorded the lowest mean score of 2.7. This finding suggests that equipment or system breakdown in the facilities occurs less frequently. Pertaining to variability of the responses received, it is indeed shown that the statement, “Our service quality has improved in the last five years,” had the lowest CV as indicated by a score of 13%. This finding suggests that there was high consensus among the respondents with respect to the view that operational efficiency of their facilities had elevated the quality of service provision. Conversely, the statement, “Frequency of system breakdown is very high,” had the highest CV of 48%. This was an indication that there lacked convergence in agreement that frequency of system breakdown in the health facilities was only to a small extent.

A one-sample *t*-test for all the items assessing operational efficiency was conducted and the results are clearly indicated. Inspecting the *p*-value column, it is clear that all the items had a *p*-value that reached the conventional significance limit, except for the statement "Frequency of system breakdown is very high." The statement had *t*-value of (t (56) = -1.72, p=0.09).

These results imply that the differences between the respondents who agreed and those who disagreed with the statement were not statistically significant. In other words, the differences occurred by chance. For the rest of the items that recorded significant results, the implication was that the differences between the respondents who agreed and those who disagreed with the statements were statistically significant, hence did not happen by chance.

4.4.4.2 Operational Effectiveness

Organizational performance was also assessed through operational effectiveness. Effectiveness was explained in view 6 items. Accordingly, the necessary participants were requested to report the range by which these items applied to their facilities on a 5-point Likert scale. Below is displayed results produced from the analysis of the responses.

Table 4.14: Operational Effectiveness

Statement	N	Mean Score	CV %	*t*-value	Sig. (2-tailed)
The mission statement and other documents provide the reason for the existence of the organization	57	4.58	0.14	18.25	0.000
The mission is operationalized through our c current training program goals, objectives, and activities	58	4.43	0.13	18.30	0.000
Quantitative and qualitative indicators are used to capture the essence of the mission	58	4.24	0.18	12.50	0.000
A system is in place to assess effectiveness of the organization	55	4.29	0.21	10.45	0.000
The organization monitors effectiveness	58	4.50	0.16	15.62	0.000
The organization uses feedback from stakeholders and clients to improve itself	58	4.59	0.14	29.41	0.000
Overall Mean Score		**4.44**			

Source: Primary Data

As is evidently shown above, the overall mean score for the items was 4.44. Based on the scale, this score was fairly above the "large extent" range. This signified that operations, processes and systems in large private health facilities in Kenya were effective to a large extent. Table 4.14 further shows that various elements linked to operational effectiveness of the private health facilities were ranked differently. For instance, the statement, "The organization uses feedback from stakeholders and clients to improve itself," received the highest ranking as indicated by an average score of 4.59. This was an indication that feedback from stakeholders and clients contributed to the operational effectiveness of the facilities to an extent that is large. To the contrary, the item, "Quantitative and qualitative indicators are used to capture the essence of the mission," recorded the lowest mean rating as indicated by a score of 4.24.

Table 4.14 also shows that the CV for "A system is in place to assess effectiveness of the organization," was the highest as indicated by a score of 21%. This suggested that there was lack of unanimity among the large private health facilities on the extent to which dedicated systems were put in place to assess organizational effectiveness. Conversely, the statement, "The mission is operationalized through our current training program goals, objectives and activities," had the least CV of 13%, suggesting that there was unanimity across the large private health facilities on the extent to which operationalization of the missions of the facilities are realized.

A *t*-test was performed and statistically significant differences were observed for all the items assessing effectiveness in operations. This brought out the fact that there were considerable differences among the private health facilities regarding the extent to which they ensured that operational effectiveness was achieved. This was an indication that the differences did not happen by chance. These variations were caused by factors that could be accounted for.

4.4.4.3 Organizational Relevance

The study also considered organizational relevance as a key performance indicator. Organizational relevance denotes the link between the business value of a firm and its strategic goal. In this study, organizational relevance was defined into 6 items. The concerned respondents were requested to report on the level at which each of the six organizational relevance aspects was applicable to their health facilities. The responses were then analyzed and the results are as illustrated here under.

Table 4.15: Organizational Relevance

Statement	N	Mean Score	CV %	*t*-value	Sig. (2-tailed)
The strategy is undergoing review now and then	58	4.16	0.20	10.83	0.000
Regular program revisions reflect changing environment and capacities of the facility	58	4.16	0.17	12.21	0.000
Our facility regularly reviews the environment to adapt its strategy accordingly	58	4.19	0.16	13.70	0.000
The organization regularly reviews the environment to adapt its strategy accordingly	56	4.29	0.20	11.09	0.000
Innovation is encouraged all the time	57	4.4	0.18	13.66	0.000
The organization monitors its reputation frequently	58	4.4	0.15	15.79	0.000
Overall Mean Score		**4.27**			

Source: Primary Data

It is indicates above, that the mean score for all the organizational relevance aspects was 4.27. The score suggests that large private health facilities in Kenya focus on organizational relevance elements as a key indicator of performance to a large degree. The statement, “The organization regularly reviews the environment to adapt its strategy accordingly,” was ranked the highest as evidenced by a mean of 4.29. This implied that organizations prioritize and make regular scanning and reviewing of their environments to an extent that is large.

It is also noticeable that two statements shared the least rating. The statement, “Innovation is encouraged all the time” had a mean score of 4.4. Comparably, the item, “The organization monitors its reputation frequently,” recorded a score of 4.4. Despite these low rankings, the statements signified that the facilities still focus on innovation and monitoring of their public image to an extent that is large. It is also apparent from Table 4.15 that two statements had the highest CV. The statement, “The strategy is undergoing review now and then,” had a CV of 20%. Similarly, the statement, “The Organization regularly reviews the environment to adapt its strategy accordingly,” recorded a CV score of 20%. These results show that there was lack of unanimity across the private health facilities as to whether strategy and environmental reviews characterized the organizational relevance of the facilities. The statement, “The Organization monitors its reputation frequently,” recorded the least CV of 15%. This indicated that there was a general consensus across the various private health facilities that frequent monitoring of organizational reputation was a key focus in the facilities with respect to organizational relevance.

The *t*-test results revealed significant differences that were statistically sound for all the items used to evaluate organizational relevance. As seen in Table 4.15, the *p*-values for all the statements fell below the alpha value of 0.05. This provided evidence that despite the considerable differences among the private health facilities regarding the extent to which they ensured that operational relevance was met, the differences were caused by explainable factors rather than chance.

4.4.4.4 Financial Viability

In this study, financial viability was used as one of the measures for assessing organizational performance. Financial performance was considered because despite the fact that some large private health facilities are charity-oriented, they still need and use money in operations and processes. The concept of financial viability revolves around the notion that financial inflows of an organization should be greater than the outflows. Financial viability was operationalized into Seven (7) items. The necessary participants were directed to mark the range at which they perceived their facilities as having been financially viable or sustainable based on the items. The responses were well captured. The summarized results of the responses from the respondents are shown below.

Table 4.16: Financial Viability

Statement	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2-tailed)**
Existing funding sources offer sustained support to the facility	55	4.24	0.18	12.32	0.000
Our facility monitors finances on a regular basis to enable decision- making	58	4.36	0.19	12.81	0.000
The facility consistently has more revenue than expenses	58	3.74	0.30	5.06	0.000
Our financial performance has made assets to be greater than liabilities in the last few years	58	4.05	0.22	8.84	0.000
To what extent is positive financial index realized as shown by the ratio of total assets to total liabilities?	58	3.98	0.20	9.29	0.000
Our facility uses the ratio of current assets to current liabilities to gauge its performance and enable decision-making	58	3.97	0.20	9.26	0.000
In our facility, there is growth in terms of amount of resources mobilized, assets, capital and revenues within the last 5 years	58	4.34	0.16	14.33	0.000
Overall Mean Score		**4.27**			

Source: Primary Data

As demonstrated above, results portray mean score for all the elements linked to financial viability of the health units as 4.27. As pertains to the scale range, the overall mean score fell above the "Large extent" rating. The finding meant that financial resources were sustainable or viable to an extent that is large. In addition to this finding, it is noticeable that the participants ranked various aspects of financial viability of their facilities differently. For instance, the statement, "Our facility monitors finances on a regular basis to enable decision-making," had the highest ranking (M=4.36). This signified that facilities ensure that they are financially viable by focusing to a large extent on regular monitoring of their finances. The statement, "The facility consistently has more revenue than expenses," received the lowest ranking as indicated by an average score of 3.74. This had the implication that facilities ensure their long-term financial viability by focusing to a large extent on profitability. It is also shown that the statement, "The facility consistently has more revenue than expenses," had the highest CV. This item recorded a CV of 30%. This was an implication that there lacked convergence in agreement across board, on the range at which profitability was considered an effective way of ensuring financial viability.

Conversely, the statement, "In our facility, there is growth in terms of amount of resources mobilized, assets, capital and revenues within the last five years," reported the lowest CV of 16%. This suggested that there was consensus among the private health facilities on the extent to which growth in resources was perceived as an effective aspect in achieving financial sustainability. Statistically significant differences were observed for all the entities assessing financial viability.

A look at the *p*-value column above shows that the *p*-value for each entity was less than the alpha value of 0.05. This was an indication that although there were noteworthy differences among the private health facilities regarding the metrics used for evaluating financial viability, the variations did not happen by chance. Rather, it was due to explicable factors.

4.5 Chapter Summary

This part presented preliminary results obtained from descriptive analysis of data collected from the respondents. The focus was on how various variables of interest manifested in the health facilities under study and how the respondents viewed them. A series of statistical techniques were used in summarizing data and these comprised of statistical tools such as mean, frequencies and CVs. Coefficients of variation were computed to assess the variability of responses.

The one-sample *t*-test revealed or shed light on whether the variability of the respondents' responses in reference to manifestation of the variables was statistically significant or not. The descriptive statistical results reflected mixed outcomes among the necessary participants regarding various indicators utilized in the operationalization of the variables in the study. While some respondents highly rated some aspects relating to these variables, the results showed that other elements received low ranking. The following chapter presents the results derived from testing of the hypotheses.

CHAPTER FIVE

TEST OF HYPOTHESES

5.1 Introduction

To allow for a greater degree of focus in addressing the objectives, a set of testable hypotheses were constructed. This chapter focuses on the results obtained from testing these hypotheses that are about patterns of association between the variables of interest in this study. Of key interest here, are the inferential statistics, meant to nuance the interpretation of the preliminary findings discussed in the previous chapter.

5.2 Diagnostic Tests

Composite indices for both the independent and dependent variables were computed to allow for the testing of the study hypotheses. Linear regression models were applied in evaluation of these propositions. The appropriateness and applicability of these models were examined with the help of diagnostic tests. These tests included normality, multicollinearity and homoscedasticity.

5.2.1 Test of Normality

One of the key assumptions involving regression is that the population from which data of interest are extracted needs to mirror a normal distribution. To ascertain that this was the case for the gathered data in this study, the Shapiro-Wilk test was invoked. The results obtained from conducting this test are displayed below.

Table 5.1: Results of Normality Test

Variable Description	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
Organizational Strategy	0.94	26	0.17
Organizational Culture	0.98	26	0.83
External Environment	0.97	26	0.69
Organizational Performance	0.94	26	0.11

Source: Primary Data

Table 5.1 shows that data for all the variables were drawn from a population with normal distribution. Typically, if the Shapiro-Wilk statistic is significant for any group or variable (p <0.05), then it follows that the distribution for that group or variable is not normal (Coolican, 2014). Given that the p values for all variables are above 0.5 as indicated, it was concluded that the data exhibited substantial normality.

5.2.2 Multicollinearity Test

Multicollinearity denotes a situation where predictor variables in a multiple regression model exhibit high correlation (McClave & Sincich, 2018). When one predictor variable is almost a weighted average of the others, then there is a risk of multicollinearity. Singularity occurs when this relationship is exact. Close correlations between independent variables increase the probability of rounding errors in the calculations of regression coefficients, which may lead to confusing and misleading results. In checking for multicollinearity presence, the Variance Inflation Factor (VIF) method was used.

Table 5.2: Results of Multicollinearity Tests

Variable	Collinearity Statistics	
	Tolerance	**VIF**
Organizational Strategy	0.61	1.65
Organizational Culture	0.60	1.67
External Environment	0.94	1.07

Source: Primary Data

As a rule of thumb, multicollinearity is present when the tolerance value is 0.01 or less. Additionally, a VIF greater than 10 is indicative of multicollinearity. Table 5.2 shows that the VIF scores for all the variables fell below the cut-off of 10, signifying that multicollinearity was not a problem. The tolerance values that concerned the independent variables do exceed 0.01 by far. This again indicates that there was no multicollinearity.

5.2.3 Homoscedasticity Test

The assumption that the variability of the error term is constant for all the explanatory variables is what homoscedasticity implies (Kinuu, 2014) To test this assumption, a scatterplot of residual against predicted values for the criterion variable was utilized. Below is shown the scatterplot that was generated after assessment for homoscedasticity.

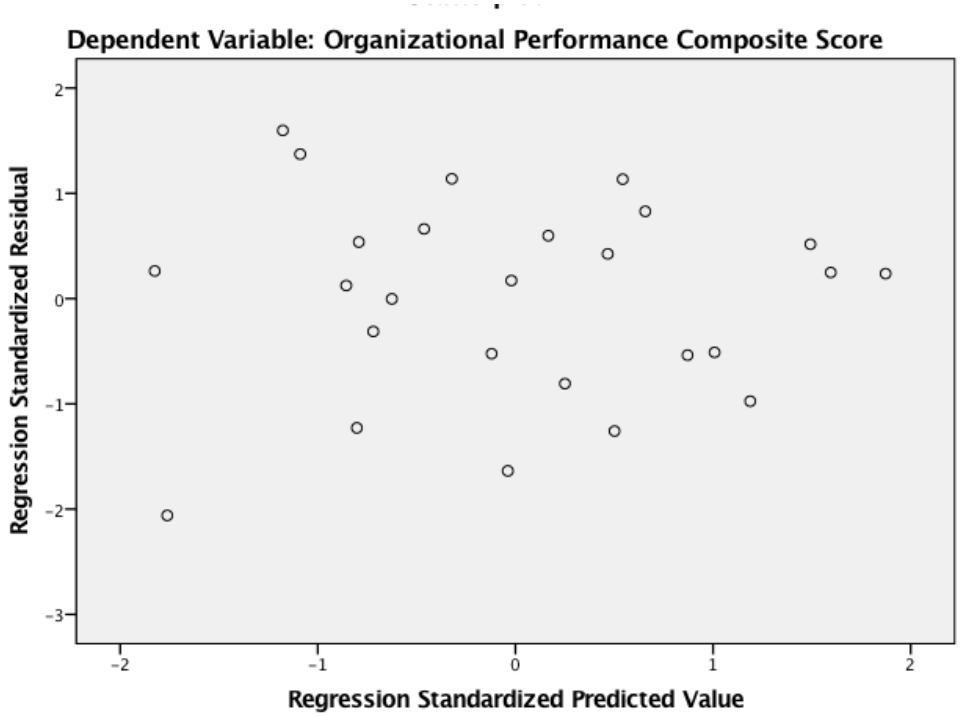

Figure 5.1: Scatterplot of Standardized Residual vs. Predicted Values

An inspection of the scatterplot reveals that there was no definite pattern in the distribution of the predicted and residual values. The variability of the values does not resemble a cone shape. According to Kinuu (2014), when residual variability follows a cone-shaped pattern, then data are heteroscedastic. Consequently, the scatterplot suggests that the data used for this study were homoscedastic and that the constant variance assumption was not violated.

5.3 Results of the Tests of Hypotheses

The five study objectives had mirrored five corresponding hypothesis. Each of these hypotheses was tested using a certain statistical method as appropriate. These methods included simple and multiple linear regressions, canonical correlation, sensitivity analyses as well as Baron and Kenny (1986) moderation methodology.

5.3.1 Organizational Strategy and Organizational Performance

The first objective of this work was to probe how strategy affects performance. The hypothesis linked to this objective was crafted in the following manner:

H1: Organizational strategy has no significant influence on performance

Performance was operationalized into four constructs. The responses to each of the four constructs were averaged into construct composite indices. The predictor variable linked to this hypothesis was organizational strategy, which was operationalized into three construct, namely: futurity, proactivity and analytic. The responses to each of these operational indicators were averaged into construct indices, which were then regressed on each of the performance indicators.

The testing of hypothesis using appropriate statistical methodologies was conducted. In doing so, the three strategy constructs were regressed on every performance indicator, where statistical significance was set at $p < 0.05$. By means of this exercise, the combined effect of all the organizational strategy variable constructs on various indicators was established. The analysis results are as seen in Appendix IV.

The resolution to reject the hypothesis was made at F-values whose *p*-values met the conventional threshold of significance ($p < 0.05$). A summary of test results for hypothesis H1 is shows below.

Table 5.3: Effect of Strategy on Performance

Model	**Multiple r**	**R^2**	**F-value**	**Sig.**
Efficiency=f (futurity, proactivity, analytic)	0.374	0.140	2.930	0.042
Effectiveness = f (futurity, proactivity, analytic)	0.466	0.217	4.994	0.040
Relevance= f (futurity, proactivity, analytic)	0.487	0.237	5.604	0.002
Financial viability= f (futurity, proactivity, analytic)	0.305	0.093	1.845	0.150

Source: Primary Data

The Multiple R-values ranged from 0.305 to 0.487, an indication that although there was an affirmative association between strategy and the performance indicators, it was a weak one. It is clearly demonstrated above that organizational strategy explained different amount of variation in various performance indicators as indicated by the coefficients of determination. The R^2 values ranged from 0.093 to 0.237, implying that strategy explained less than 50% of variation in performance of the health facilities. The F-values for the various models ranged from 1.845 to 5.604. The corresponding *p*-values reached the conventional threshold of significance except for the model connected to financial viability. This meant that the implications of strategy on financial viability was not significant ($F=1.845$, $p>0.05$). To the contrary, strategy was found to be significantly predicting efficiency ($F=2.93$, $p < 0.05$), effectiveness ($F=4.994$, $p < 0.05$) and relevance ($F=5.604$, $p<0.05$).

Viewing performance as a multidimensional construct, the results imply that strategy has no significant influence on the overall performance of the facilities. This is because of the not statistically significant relationship between financial viability (one of the dimensions of performance) and organizational strategy. Consequently, the scholar failed to reject the null hypothesis. However, the results also reveal that organizational strategy exerts significant influence on other areas of performance of the health facilities apart from financial performance. These areas include: organizational efficiency, effectiveness and relevance.

5.3.2 Organizational Culture and Organizational Performance

The second objective of this study sought to investigate the influence of culture on performance. The following hypothesis was formulated in relation to this objective:

H2: Organizational culture has no significant influence on performance

The dependent variable corresponding to this hypothesis was performance. As previously described, organizational performance variable was operationalized into four constructs. A mean score for each construct was computed to obtain the construct composite indices. The predictor variable in this hypothesis was culture, which was operationalized into four constructs. The responses to each of these constructs were averaged into a composite index. This construct index for culture was regressed on each of the performance constructs. The analyses generated are as seen in Appendix V. The decision point to reject the null hypothesis was at F-values that had *p*-values which fell within the significance threshold of $p < 0.05$. Below is shows the summary of the results obtained.

Table 5.4: Effect of Organizational Culture on Performance

Model	Multiple r	R^2	F-value	Sig.
Efficiency=f (process, job, profession, pragmatic)	0.437	0.191	3.130	0.022
Effectiveness= f (process, job, profession, pragmatic)	0.528	0.279	5.124	0.001
Relevance= f (process, job, profession, pragmatic)	0.550	0.302	5.744	0.001
Financial viability= f (process, job, profession, pragmatic)	0.390	0.152	2.380	0.063

Source: Primary Data

The multiple r-values ranged from 0.390 to 0.550, suggesting a weak to moderately strong association between organizational culture (process, job, profession and pragmatic orientations) and performance. The R^2 values ranged from 19.1% to 30.2%. This means that generally, organizational culture explained less than 50% of variation in various performance indicators.

The F-values for the four models ranged from 2.380 to 5.744 (See Appendix V for full ANOVA table). The p-values associated with these F- values reached the conventional threshold of significance ($p < 0.05$), except for financial viability ($p = 0.063$). In consideration of performance as a multidimensional construct, the results have the implication that organizational culture did not exhibit an influence that is significant on the total outcomes of the health facilities. Therefore, this evidence justified the proposed hypothesis. Moreover, it could also be inferred from these results that financial viability aspect drags down the overall performance of the health facilities in a Kenya scenario.

5.3.3 Strategy-culture Co-alignment and Organizational Performance

The third objective of the study sought to investigate the influence of organizational strategy-culture co-alignment on performance. The corresponding hypothesis to this objective was crafted as follows:

H3: Organizational strategy-culture co-alignment has no influence on performance

The analytically determined latent predictor variable set had seven sub-variables: futurity, proactivity, analytic, process, job, profession and pragmatic orientations. The organizational performance, the criterion variable set had four sub-variables: efficiency, effectiveness, relevance and financial viability. Canonical correlation, a technique developed by Hotellings (1935) was used to analyze H3, not only because of its comprehensiveness but also, being a multivariate technique, it would limit the risk of type 1 error (Alissa & Robin, 2010).

This technique finds the weighted average of the predictor variable set and correlates it with that of criterion variable set. The motive of constructing of weights is to augment the correlation between the two variables sets (Tabachnick & Fidell, 2007). The four performance constructs and the seven dimensions of strategy-culture co-alignment in this case were treated as sub-variables, hence justifying the application of the canonical correlation analysis (Alissa & Robin, 2010). Using the seven sub-variables within the predictor analytically determined variable set and the four sub-variables of the criterion organizational performance variable set, the canonical correlation analytical methodology was invoked to probe the multivariate shared link between the two sets and across all of the canonical functions.

This constituted the first round of the analysis using the four multivariate tests (Pillais, Hotellings, Wilk's and Roys) to evaluate for statistical significance. The results obtained were not statistically significant. Hence, did not yield an optimal model for interpretation as seen below.

Table 5.5: Multivariate Tests of Significance (Full Model)

Test Name	Value	Approximate F	Hypothesis DF	Error DF	Significance of F
Pillais	0.64	1.35	28.00	200.00	0.123
Hotellings	0.89	1.45	28.00	182.00	0.079
Wilk's	0.47	1.40	28.00	170.88	0.099
Roys	0.36				

Source: Primary data

Results of the four tests were slightly different owing to disparities in the theoretical micro-foundations of the four methods. The Roy's method did not generate results due to the inherent limits of the approach. The Wilk's lambda (λ) was applied instead, due to its popular usage and convenience (Alissa & Robin, 2010). According to Hair, Sarstedt, Ringle and Mena, (2010), a sensitivity analysis is important in canonical correlation exercise as it ensures that the final model for interpretation is stable. Therefore, the "financial viability" was removed from the analysis first, as it had the lowest structure coefficient. Despite this removal, the analysis did not result to an interpretable model.

Additionally, job orientation sub-variable was removed after recording the least structure coefficient. The results of the final canonical correlation model after removal of financial viability (criterion sub-variable) and job orientation (predictor sub-variable) are presented below (also See Appendix VII). The sub-variables removed did not affect the theoretical content of the model.

Table 5.6: Multivariate Tests of Significance

Test Name	Value	Approximate F	Hypothesis DF	Error DF	Significance of F
Pillais	0.532	1.832	18.00	153.00	0.026
Hotellings	0.754	1.997	18.00	143.00	0.013
Wilk's	0.534	1.921	18.00	139.00	0.019
Roys	0.356				

Source: Primary Data

As seen in Table 5.6 above, for the full model, Wilk's λ was 0.534, F (18, 139)=1.921, $p <$ 0.05. Since the Wilk's λ denotes the proportion of variance not accounted for by the model, 1-λ indicates the overall effect size, that is, the amount of variation explained by the two variable sets. Given that Wilk's λ was 0.534, the overall effect size was 1 - 0.534 =0.466. This implies that the canonical model accounted for a substantial proportion, that is, about 46.6% of variation could be substantiated by the two variable sets. This meant that the model portrayed significant influence on performance at this point.

The next set of statistics included Eigen values and Canonical correlations. These were used to identify functions that explained satisfactory amount of variation between the two variable sets. The results are displayed here below.

Table 5.7: Eigen Values and Canonical Correlations

Root No	Eigen Value	%	Cumulative %	Canonical Correlation	Squared Canonical Correlation
1	0.554	73.507	73.507	0.597	0.357
2	0.165	21.859	95.366	0.376	0.141
3	0.035	4.633	100.00	0.184	0.034

Source: Primary Data

The squared canonical correlation column represents the proportion of variance shared by the two synthetic or latent variables. It shows that Functions 1 and 2 explained substantial amount of variation between the two latent variable sets. Function 1 explained 35.7% of the variation while Function 2 accounted for 14.1%. Therefore, the sum-total variance substantiated by the first two Functions was 0.357+0.141= 0.498 = 49.8%. This sum-total is relatively higher than the previously established effect size of 46.6%.

The two Functions (I and 2) were thus retained for interpretation, while Function 3 was dropped because it was sufficiently weak and could not explain a considerable amount of variation between the two sets of variables, as it only explained 0.034 (3.4%) of the same. The significance for each function was further tested in a hierarchical manner. The results are as shown in Table 5.8.

Table 5.8: Dimension Reduction Analysis

Roots	Wilk's λ	**F**	**Hypothesis DF**	**Error DF**	**Significance of F**
1 to 3	0.53	1.92	18.00	139.08	0.02
2 to 3	0.83	0.98	10.00	100.25	0.47
3 to 3	0.96	0.45	4.00	51.00	0.78

Source: Primary Data

In Dimension Reduction Analysis, each function is assessed hierarchically, starting with Functions 1-3; Functions 2-3; and lastly, Function 3-3. The results from this analysis showed that the cumulative effects of Functions 1-3 were significant (Wilk's λ was 0.53, F(18, 139.08)=1.92, $p < 0.05$). The cumulative effects of Functions 2-3 were not statistically significant, (Wilk's λ was 0.83, F(10, 100.25)=0.98, $p > 0.05$). Since the full model (1-3) and Functions 2 to 3 accounted for a substantial amount of variation in the canonical association between the two variable sets, they were extracted. The final Function (3-3) was rather weak and thus not worth interpretation.

The next step of canonical correlation analysis entailed carrying out an investigation of how each sub-variable in the predictor and in the criterion variable sets contributed to the derived canonical relationships. This part of the investigation was premised on the interpretation of the output related to Standardized weights and Structure coefficients. The results of these weights and coefficients are displayed bellow.

Table 5.9: Standardized Weights and Structure Coefficients

	Function 1			Function 2			
Sub-Variables (Measures)	**Coefficient**	**r (s cf)**	**r^2**	**Coefficient**	**r (s cf**	**r^2**	**h^2 (%) comm cf sum of r^2**
Futurity	0.45	0.81	65.61	0.24	-0.03	0.09	65.70
Proactivity	-0.11	0.53	28.09	0.72	-0.02	0.04	28.13
Analytic	0.02	0.39	15.21	-1.05	-0.72	51.84	67.05
Process Orientation	0.80	0.92	84.64	0.11	-0.09	0.81	85.45
Profession Orientation	-.25	0.57	32.49	-.59	-0.49	24.01	56.50
Pragmatic Orientation	-16	0.56	31.36	0.13	-0.16	2.56	33.92
Efficiency	0.31	0.91	82.81	-1.64	-0.40	16.00	98.81
Effectiveness	0.46	0.73	53.29	-0.12	-0.20	4.00	57.29
Relevance	0.69	0.98	96.04	1.62	-0.19	3.61	99.65

Source: Primary Data

The squared structure coefficients ($\mathbf{r^2}$) denote the proportion of shared variation between the observed-sub-variable and synthetic predictor variable. The communality (h^2) represents the proportion of variation in the observed sub-variable that was replicated across all the functions. Structured coefficients with values above 0.45 and communality values above 45% are marked (underlined).

The underlined structure coefficients highlight the variables that were the most meaningful in the model as per the recommendation by Ho (2013). Table 5.9 shows that process orientation had the highest contribution (0.80) to Function 1. In the set of criterion sub-variables, organizational relevance variable (0.69) made the highest contribution to Function 1. The results also show that the independent sub-variable measure named analytic orientation (-1.05) made the highest contribution to Function 2. Facility operational efficiency (-1.64) had the largest contribution to Function 2.

The results further reveal that the independent sub-variables with the highest structure loadings were process orientation (0.92), futurity (0.81), profession orientation (0.57), pragmatic orientation (0.56) and proactivity (0.53). These structure coefficients had a positive sign, signifying the presence of a positive linkage with the performance sub-variables. Pertaining the latent criterion variable, all the three observable sub-variables returned relatively high structure loading on operational relevance (0.98), efficiency (0.91) and effectiveness (0.73), indicating that they were the most instrumental in the dependent variable set. The structure coefficients for these variables were positive, implying that they were positively related to the other entire organizational strategy-culture co-alignment variable. These relationships can be interpreted as follows: Following strategy-culture co-alignment, the higher the process orientation, futurity orientation, profession orientation, pragmatic orientation and proactivity, the higher the performance of the health facilities. As pertains Function 2, the only variables of relevance in contributing to the latent independent strategy-culture co-alignment variable were analytic orientation (-0.72) and profession orientation (-0.49).

The results also reveal that there was not a single noteworthy contributor to the latent criterion variable of performance because all the structure coefficients for the dependent variables fell below the cut-off of 0.45 recommended by Ho (2013). Consequently, only the results for Function 1 were used. The first round of analysis with all sub-variables of predictor and criterion variable sets revealed that organizational strategy-culture co-alignment had not significant influence on the outcomes of the facilities. The results confirmed the null H3.

Further, a sensitivity analysis was conducted to test whether exclusion of some variable measures from the strategy-culture co-alignment and performance sets would result in any significant change. The results revealed that a strategy-culture fit by all sub-variables but job orientation had a significant influence on the organizational outcomes. This implies that future studies should consider using these variables in assessing organizational strategy-culture co-alignment for organizational performance.

5.3.4 Influence of External Environment on the Relationship between Organizational Strategy-Culture Co-alignment and Performance

The fourth objective was to uncover the moderating role of external environment on the link between strategy-culture fit and performance. The following hypothesis was formulated for testing.

H4: External environment has no moderating influence on the relationship between organizational strategy-culture co-alignment and performance

In regard to the hypothesis at hand, organizational performance was the outcome or criterion variable; the analytically determined fit was the predicting variable; while external environment was the moderator variable. As previously established, organizational strategy-culture co-alignment, which was unobserved variable had seven measures: futurity, proactivity, analytic, process, job, profession and pragmatic orientations.

The moderated regression technique recommended by Baron and Kenny (1986) was used to test for moderation. Specifically, the scholars recommended a regression process modality that has three steps. In the first step, the predictor is regressed on the criterion; then the predictor variable predicts the moderator variable in the subsequent step; and then the predictor and moderator interactive factor predicts the criterion variable in the last step. If results at all steps are statistically significant, then, there is moderation.

Table 5.10: Moderated Regression Results

Model	Criterion	Predictor	B	t	Adj. R^2	Change R^2	Sig. F Change
1	Performance	Strategy-culture co-alignment	0.448	4.484	0.251	.264	0.000
2	Performance	Strategy-culture co-alignment	0.458	4.244	0.238	.001	0.790
		External environment	-0.034	-0.267			
3	Performance	Strategy-culture co-alignment	0.879	0.904	0.227	0.003	0.665
		External environment	0.535	0.408			
		Strategy-culture co-alignment * External environment	-0.137	-0.436			

Source: Primary Data

In order to support moderation hypothesis, the three regression stages must present statistically significant results (Baron & Kenny, 1986). As indicates below, the introduction of the moderator variable (external environment) gave results that were not statistically significant (p >0.05). In addition, the results indicate that the interaction between strategy-culture co-alignment and external environment resulted in changes in R^2 that were not statistically significant (p >0.05). According to Baron and Kenny (1986), this suggested lack of moderation effect. Consequently, the results failed to reject H4.

5.3.5 The Joint and Sum-total Effects of Organizational Strategy, Culture and External Environment on Organizational Performance

The last aim sought to unravel the strength of combined variable and the non-combined ones, an establishing where there were greater effects on the performance outcomes. This was addressed by testing the following hypothesis:

H5: The joint effect of organizational strategy, culture and external environment is not significantly greater than the sum-total of the independent effects of individual variables on performance

The hypothesis was tested using linear regression models. The composite indices of strategy, culture and external environment were regressed on the construct indices of the four performance indicators. In testing the difference between the joint and independent effects, focus was laid on comparing the explanatory power R^2 of the regression models. If the explanatory power relating to the joint effect of the predictor variables was greater than the sum-total of predictability power of any of the explanatory variables on performance, then that would form the basis for the decision to reject the null H5, otherwise, fail to reject. The results are displayed below.

Table 5.11: Joint Effect of Strategy, Culture and External Environment on Efficiency

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.425	0.18	0.14	0.36		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.55	3	0.52	3.97	0.013
Residual	7.05	54	0.13		
Total	8.60	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.52	0.48		5.28	0.00
Strategy	0.101	0.12	0.15	0.83	0.41
Culture	0.181	0.14	0.22	1.27	0.21
External Environment	0.147	0.12	0.16	1.19	0.24

Source: Primary Data

The results show that R^2 =0.18, which means that the combined effect of strategy, culture and external environment accounted for 18% of variation in operational efficiency of the private health facilities. The ANOVA results (F=(3, 56)=3.97, p <0.05) signify that efficiency of the health facilities was significantly predicted by the three explanatory variables. Further, a unit change in strategy would improve operational efficiency of the large private health facilities by a factor of 0.101; a unit change in organizational culture would improve the operational efficiency of the facilities by 18.1%; and a change in external environment would improve organizational efficiency by about 14.7%. Table 5.12 shows the regression output for the joint effect of strategy, culture and external environment on operational effectiveness.

Table 5.12: Joint Effect of Strategy, Culture and External Environment on Effectiveness

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.462	0.213	0.17	0.50		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	3.71	3	1.24	4.87	0.005
Residual	13.71	54	0.25		
Total	17.42	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.09	0.67		3.14	0.003
Strategy	0.17	0.17	0.17	0.99	0.33
Culture	0.35	0.19	0.31	1.79	0.080
External Environment	0.06	0.17	0.04	0.32	0.75

Source: Primary Data

It is shown here above that R^2 =0.213, an indication that the combined aspect was responsible for 21.3% variation. The analysis of variance signifies that three predictor variables had significant predictive value for effectiveness of the hospitals. A unit change in strategy would improve operational effectiveness of the large private health facilities by a factor of 0.17; a unit adjustment in culture would improve the operational effectiveness of the facilities by 35%; and a modification in external environment factors would improve organizational effectiveness by about 6%. Below is also shows the regression output for the combined impact of strategy, culture and external environment on organizational relevance.

Table 5.13: Joint Effect of Strategy, Culture and External Environment on Organizational Relevance

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.444	0.197	0.183	0.56		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	4.08	3	1.36	4.41	0.008
Residual	16.65	54	0.31		
Total	20.73	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	1.76	0.734		2.40	0.20
Strategy	0.16	0.19	0.15	0.84	0.40
Culture	0.34	0.22	0.27	1.57	0.12
External Environment	0.162	0.19	0.11	0.86	0.396

Source: Primary Data

The value of R^2 was 0.197, an indication that only variation of 19.7% could be substantiated by the three-predictor variables. On the basis of the variance analysis, it was clear that strategy, culture and external environment had a collective predictive value for organizational relevance. A strategy change of a unit would enhance relevance by of 0.16; a change in culture unit would improve the relevance of the facilities by 34%; and a unit change in external environment enhances relevance by 16.2%. Below is shown the results for the joint effect of strategy, culture and external environment on financial viability.

Table 5.14: Joint Effect of Strategy, Culture and External Environment on Financial Viability

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.509	0.259	0.218	0.53		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	5.33	3	1.77	6.29	0.001
Residual	15.26	54	0.283		
Total	20.59	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	3.17	0.703		4.51	0.000
Strategy	0.12	0.18	0.11	0.65	0.52
Culture	0.53	0.21	0.43	2.55	0.014
External Environment	-.51	0.19	-.35	-2.82	0.007

Source: Primary Data

The value of R^2 was 0.259, a pointer that the three-predictor variables collectively explained exactly 25.9% variation. Additionally, the ANOVA results (F=(3, 56)=6.29, p <0.05) confirmed that strategy, culture and external environment could collectively predict performance. A unit change in strategy would improve financial viability of the health facilities by a factor of 0.12; a unit adjustment in culture would improve financial viability of the facilities by 53%; and a unit change in external environment would decrease financial viability by about 51%. Below is shown the regression output for independent effect of strategy on operational efficiency.

Table 5.15: Independent Effect of Strategy on Efficiency

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.355	0.126	0.111	0.366		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.085	1	1.09	8.09	0.006
Residual	7.516	56	0.134		
Total	8.601	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	3.11	0.361		8.62	0.000
Strategy	0.248	0.087	0.355	2.84	0.006

Source: Primary Data

Acting solely, strategy could explain 12.6% of variance in the efficiency of the health facilities as evidenced by an R^2 of 0.126. Additionally, a scrutiny analysis of variance pointed to the significant predictive value of strategy on efficiency. Below is shown the results for the independent effect of strategy on operational effectiveness.

Table 5.16: Independent Effect of Strategy on Effectiveness

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.402	0.161	0.146	0.51		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	2.81	1	2.81	10.77	0.002
Residual	14.61	56	0.261		
Total	17.42	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.73	0.502		5.42	0.000
Strategy	0.399	0.122	0.402	3.28	0.002

Source: Primary Data

The value of R^2 was 0.161, implying that the independent effect of strategy accounted for variation of 16.1%. A scrutiny on the analysis of variance revealed that strategy was a positive predictor of efficiency of the facilities. Below is shown the results pertaining to the independent effect of strategy on organizational relevance.

Table 5.17: Independent Effect of Strategy on Organizational Relevance

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.377	0.142	0.13	0.56		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	2.94	1	2.94	9.27	0.004
Residual	17.78	56	0.32		
Total	20.73	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.63	0..555		4.73	0.000
Strategy	0.408	0.134	0.377	3.04	0.004

Source: Primary Data

The value of R^2 was 0.142, meaning that the independent effect of organizational strategy accounted for a variation of 14.2%. A scrutiny of analysis of variance revealed that strategy had a significant predictive value on organizational relevance. Below is shown the results for the independent effect of strategy on financial viability.

Table 5.18: Independent Effect of Strategy on Financial Viability

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.294	0.087	0.07	0.58		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.78	1	1.783	5.31	0.025
Residual	18.81	56	0.336		
Total	20.59	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.799	0.571		4.904	0.000
Strategy	0.318	0.138	0.294	2.304	0.025

Source: Primary Data

The value of R^2 was 0.087, signifying that organizational strategy solely explained a variation 8.7%. A scrutiny of variance analysis portrayed strategy as a significant predictor of financial viability. Below is presented the results of the effect of organizational culture on operational efficiency.

Table 5.19: Independent Effect of Culture on Efficiency

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.379	0.144	0.129	0.363		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.24	1	1.24	9.41	0.003
Residual	7.36	56	0.132		
Total	8.60	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.92	0.398		7.33	0.000
Culture	0.31	0.100	0.379	3.07	0.003

Source: Primary Data

The value of R^2 was 0.144, an indication that culture accounted for a variation of 14.4 %. A scrutiny of analysis of variance revealed that organizational culture was a significant predictor in efficiency of facilities. Below is presented the results of the independent effect of culture on operational effectiveness.

Table 5.20: Independent Effect of Culture on Effectiveness

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.442	0.196	0.81	0.500		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	3.41	1	3.41	13.63	0.001
Residual	14.01	56	0.25		
Total	17.42	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.35	0.548		4.286	0.000
Culture	0.51	0.138	0.442	3.691	0.001

Source: Primary Data

The value of R^2 was 0.196, an indication that the effect of organizational culture explained a variation 19.6%. A check on variance analysis revealed that culture significantly predicted the effectiveness of the facilities. Below is presented the results highlighting the independent effect of organizational culture on organizational relevance.

Table 5.21: Independent Effect of Culture on Organizational Relevance

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.415	0.172	0.157	0.55		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	3.56	1	3.56	11.62	0.001
Residual	17.17	56	0.31		
Total	20.73	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.43	0.61		3.695	0.000
Culture	0.52	0.152	0.415	3.41	0.001

Source: Primary Data

The value of R^2 was 0.172, thus portraying that 17.2% of variance in the health facilities' relevance was attributable to organizational culture. The ANOVA results (F=(1, 56)=11.62, p <0.05) also illustrated culture as a significant predictor of the facilities' relevance. A change in a unit culture would impact on relevance by a factor of 0.52. Below is displayed the results showing the independent effect of culture on financial viability.

Table 5.22: Independent Effect of Culture on Financial Viability

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.386	0.149	0.134	.56		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	3.06	1	3.06	9.79	0.003
Residual	17.53	56	0.31		
Total	20.59	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.197	0.61		3.58	0.000
Culture	0.48	0.152	0.386	3.13	0.003

Source: Primary Data

Table 5.22 indicates that the value of R^2 was 0.149, denoting that the effect of organizational culture accounted for a variation amounting to 14.9%. A check on variance analysis reveals that culture had a significant predictive value for financial viability.

Below is displayed the results of the independent effect of external environment on efficiency.

Table 5.23: Independent Effect of External Environment on Efficiency

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.280	0.078	0.062	.376		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	0.67	1	0.673	4.76	0.033
Residual	7.93	56	0.142		
Total	8.60	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	3.28	0.392		8.37	0.000
External Environment	0.261	0.12	0.28	2.18	0.033

Source: Primary Data

The value of R^2 was 0.078, which is evidence that 7.8% of variation in the health facilities' efficiency could be substantiated by external environment factors. A check on variance analysis reveals that external environment was a significant predictor of the facilities efficiency. A change of a unit in external environment would lead to change in factor of 26.1%. Below is shown the results of the independent effect of external environment on effectiveness.

Table 5.24: Independent Effect of External Environment on Effectiveness

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.200	0.040	0.023	.55		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	0.699	1	0.699	2.34	0.132
Residual	16.72	56	0.299		
Total	17.42	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	3.498	0.57		6.15	0.000
External Environment	0.266	0.17	0.20	1.53	0.132

Source: Primary Data

The value of R^2 was 0.040; signifying that 4% of variation in the health facilities' effectiveness could be accounted for by external environment. However, the ANOVA results (F=(1, 57)=2.34 p > 0.05) showed that external environment could not significantly predict the facilities' effectiveness. Below is shown the results of the independent effect of external environment on organizational relevance.

Table 5.25: Independent Effect of External Environment on Organizational Relevance

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.251	0.063	0.046	.589		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.31	1	0.699	3.77	0.057
Residual	19.42	56	0.299		
Total	20.73	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	3.12	0.613		5.08	0.000
Strategy	0.36	0.19	0.25	1.94	0.06

Source: Primary Data

Table 5.25 reveals that the value of R^2 was 0.063, meaning that the independent effect of external environment explained 6.3% of variation. However, the analysis of variance results (F=(1, 57)=3.77 p > 0.05) suggested that external environment did not exhibit significant predictive value on the relevance of health facilities. Below is displayed the results of the independent effect of external environment on financial viability.

Table 5.26: Independent Effect of External Environment on Financial Viability

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.176	0.031	0.014	.596		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	0.638	1	0.638	1.79	0.19
Residual	119.96	56	0.356		
Total	20.59	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	4.93	0.62		7.93	0.000
External Environment	-.254	0.19	-.176	-1.134	.186

Source: Primary Data

The value of R^2 was 0.031, an implication that the external environment could account for 3.1% of variation in the health facilities. However, the ANOVA results (F=(1, 57)=1.79 p > 0.05) revealed that external environment did not have a significant predictor value with respect to the financial viability of the health facilities. Below is shown a summary of the joint and independent effects.

Table 5.27: Nature of Relationship between Performance, Joint and Independent Variables

Performance Dimension	f (strategy, culture, external environment	f (strategy)	f (culture)	f (external environment)
Efficiency	Significant	Significant	Significant	Significant
Effectiveness	Significant	Significant	Significant	Not significant
Relevance	Significant	Significant	Significant	Not significant
Financial viability	Significant	Significant	Significant	Not significant

Source: Primary Data

Table 5.27 shows that all predictor variables had positive effects on various criterion dimensions. Despite that fact, external environment as a single variable exerted some significant influence only on organizational efficiency. Comparing the joint effect and the sum of the effects of variables separately considered, only the coefficients of determination, that is, the explanatory power (R^2) of the regression models for variables that had significant influence were considered. Therefore, the R^2 of the regression models pertaining to external environment in regard to effectiveness, relevance and financial viability were discarded. Below is shown a summary of the variance explained by individual effect.

Table 5.28: R^2 of the Joint Effect and Sum-total of Independent Effects of Strategy, Culture and External Environment on Performance

Performance Dimension	f (strategy, culture, external environment	f (strategy)	f (culture)	f (external environment)	Sum-total of Independent Effects
Efficiency	**0.18**	0.126	0.144	0.078	**0.348**
Effectiveness	**0.213**	0.161	0.196	Not significant	**0.357**
Relevance	**0.197**	0.142	0.172	Not significant	**0.314**
Financial viability	**0.259**	0.087	0.149	Not significant	**0.236**
Total					

Source: Primary Data

Table 5.28 shows that the sum-total explanatory power (R^2) for strategy, culture and external environment was greater than the joint explanatory power for the three variables. That is, efficiency, effectiveness and organizational relevance. However, this was not the case for financial viability.

Considering overall performance as a multidimensional construct, the study could not fail to conclude that the joint effect of strategy, culture and external environment was not greater than the sum-total of independent effects of the three variables. As a result, the scholar could not fail to reject the null H5. Below is presented a summary of the study empirical models for understanding the link between strategy, culture, external environment and organizational performance.

Table 5.29: Summary of Empirical Models

Model	**Performance Dimension =f (Strategy, Culture, External Performance)**
Model 1	*Efficiency = 2.52 + 0.101*Strategy + 0.181*Culture + 0.147* External Environment*
Model 2	*Effectiveness = 2.09 + 0.17* Strategy + 0.35* Culture + 0.06 * External Environment*
Model 3	*Relevance = 1.76 + 0.16* Strategy + 0.34*Culture+ 0.162 *External Environment*
Model 4	*Financial viability =3.17 + 0.12* Strategy + 0.53* Culture -0.51* External Environment*

Source: Primary Data

5.4 Chapter Summary

The chapter presented the results of hypotheses testing, which revealed the influence of the predictor variables on the criterion variable in view of the study unit. The first hypothesis posited that strategy was not a significant predictor of performance. The results derived from the analysis justified this conjecture. The second hypothesis postulated that culture posed no influence that is significant on performance. The findings did confirm that this was the case.

The third hypothesis postulated that strategy-culture co-alignment had no significant influence on performance. The results confirmed the null hypothesis, that a fit between the two variables did not demonstrate any statistical significant influence on performance. The fourth hypothesis posited that external environment had no moderating effect on the link between strategy-culture fit and performance.

The results indeed demonstrated that external environment had no moderating influence on the relationship between organizational strategy-culture co-alignment and performance, thus confirming the null hypothesis. The fifth hypothesis claimed that a combinatory effect of explanatory variables was less than the sum-total of independent effects associated with the variables. The results illustrated that the sum of the effects of every variable was greater than the combinatory effect for all dimensions of performance except financial viability. This caused rejection of the null hypothesis. Below is presented a summary of the hypotheses test results.

Table 5.30: Summary of Hypotheses Tests Results

Study Objectives	**Research Hypotheses**	**Decisions**
Objective one: To determine the influence of organizational strategy on performance	**H_{01}:** Organizational Strategy does not significantly influence performance	Failed to reject
Objective two: To determine the influence of organizational culture on performance	**H_{02}:** Organizational culture does not significantly influence performance	Failed to reject
Objective three: To determine the influence of organizational strategy-culture co-alignment on performance	**H_{03}:** Organizational strategy-culture co-alignment has no significant influence on performance	Failed to reject

Summary of Hypothesis Tests Results Cont…

Objective four: To determine the influence of external environment on the relationship between organizational strategy-culture co-alignment and performance	**H_{04}:** External environment does not significantly influence the relationship between organizational strategy-culture co-alignment and performance	Failed to reject
Objective five: To determine whether the joint effect of organizational strategy, culture and external environment is greater than the sum-total of the independent effects of individual variables on performance	**H_{05}:** The joint effect of organizational strategy, culture and external environment is not significantly greater than the sum-total of the independent effects of individual variables on performance	Rejected

Source: Researcher (2020)

It is noteworthy that organizational strategy and culture exerted significant influence on certain dimensions of organizational performance. Below is displayed a summary of performance indicators that exhibited significant and non-significant relationships with organizational strategy and culture.

Table 5.31: Summary of Significant and Non-significant Relationships

Performance Dimension	f (futurity, proactivity, analytic)	f (Process, Job, Profession, Pragmatic)
Efficiency	Statically significant	Statically significant
Effectiveness	Statically significant	Statically significant
Relevance	Statically significant	Statically significant
Financial viability	Not statistically significant	Not statistically significant

Source: Researcher (2020)

CHAPTER SIX

DISCUSSION OF FINDINGS

6.1 Introduction

In this chapter, the aim is geared towards provision of interpretations of the results derived from the statistical analyses. The discussion is centered on the specific objectives of this research. This chapter also seeks to present the nexus between the findings and existing empirical research, as well as theoretical postulations.

6.2 Manifestations of Variables of interest

To achieve the lofty objective of this investigation, the cross sectional research design employed in the study led to the drawing of data from 58 facilities operating in Kenya. Majority of the facilities had been operational for more than 15 years. This outcome revealed that the facilities were organizationally mature enough for scrutiny. The results also revealed that a majority of the respondents had worked at the private health facilities for a period exceeding 9 years. This implied that the respondents had sufficient experience about the facilities and knowledge on their processes and functions. This provided the confidence to the researcher that the respondents' responses could be relied on.

The variable manifestations were assessed using a well-known scale with ranges that spread from one to five. Each variable was demonstrated and measured as per the constructs within its operationalization. Manifestation of the organizational strategy on the large private health facilities was the first variable to be addressed. The respondents had diverse views on how different constructs applied to their facilities.

In some cases, there were high or low convergence, and in other cases, there were high or low divergence. Convergence implied that respondents agreed on a certain aspect within their facilities, and divergence implies that they did not. This aspect was reflected by either high or low coefficient of variation. As revealed by the study descriptive statistical results, most of the dimensions of organizational strategy were to a large extent applicable to the unit study. The highest manifestation of the strategy constructs on the facilities was on futurity orientation, which pertains to focusing on investments that would provide a competitive edge in the future. This was as demonstrated by the high mean scores as compared to those of proactivity and analytic orientations.

Manifestation of the organizational culture was also explicitly demonstrated by the study results. The measurement used was the 5-Point Likert type Scale as well. Culture was agreed upon by the respondents as having been largely practiced. A key manifestation was that organizational culture traits that are largely upheld in the health facilities are those that are geared towards improving the client satisfaction. Further, facilities have cultures that convey a sense of value to their customers. The construct that was manifested most within the cultural domain is pragmatic orientation. This was largely demonstrated by the high level of flexibility in dealing with the clients; consideration and adaptation of situations in decision-making processes; and having the customer satisfaction as a key factor in processes and functions.

The fourth hypothesis was also assessed. External environment was explored along three aspects, namely: dynamism, munificence and complexity. It was found that the external environment of the health facilities is highly complex and dynamic, particularly with respect to client behaviour, competition in the health care industry, technological and political factors. This outcome reflects the observation by Johnson et al. (2008) that organizations operate in a setting characterized by factors beyond their control, such as threats from new competitors, government policies, substitute goods and services and increasing bargaining capacity of customers and suppliers. Facilities collected information about their competitors through benchmarking and market surveys and incorporated it into the decision making processes.

The performance of the health facilities was also examined. Performance was assessed in terms of four dimensions. It was found that organizations within the unit of study largely demonstrate cost-effective operations and processes geared towards reduction of healthcare costs; implementation of feedback from stakeholders and clients for service improvement; regular monitoring of the environment to ensure its alignment with organizational strategy; and regular monitoring of finances. As such, the health facilities performed well in terms of efficiency, effectiveness and organizational relevance, unlike in financial viability.

6.3 Organizational Strategy and Performance

The first step in the assessment of this objective was operationalization of organizational strategy into relevant and measurable items. Within the scope of this study, organizational strategy was measured using nine (9) items categorized into three constructs, namely: futurity, proactivity and analytic dimensions. The futurity dimension signified the simultaneous prominence given by organizations in strategic-decision making, where cost-efficiency in the present and future tops the list of priorities. The proactive dimension referred to the capacity of organizations to gain leverage in harnessing emerging opportunities in a given marketplace, such as the chance to diversify or gain a first-mover advantage in provision of services. The analytic dimension represented the ability of an organization to understand and solve problems through careful and extensive search for valuable information.

Based on the mean scores, the top-rated item revealed that the strategy used is futurity-oriented and that it involves laying emphasis on investments that would provide a competitive edge in the future. This implies that the strategy of health facilities is heavily based on decisions that are likely to be influenced by future events, such as customer satisfaction and technological advancement. This finding also shows that large private health facilities in Kenya are not laying emphasis on analytic and proactive strategies geared towards cost-reduction or acquisition of new market opportunities.

A hypothesis was formulated, relating to organizational strategy and performance. It was hypothesized that the impact of strategy on the organizational outcomes was non-significant. The results derived from regression analysis indeed confirmed that the proposed hypothesis was true. It was established that strategy had not significant influence on financial viability. Strategy had a significant impact on the other performance aspects, which included operational efficiency, effectiveness and organizational relevance.

These findings are contrary to the characteristics of private organizations reported widely in the literature. For instance, in a study on hotel outsourcing, Rodriguez and Fierro (2018) noted that the strategic orientation of most hotels is founded on defensive and proactive strategies involving undertaking risky investments in a bid to maintain a competitive edge. The findings are in line with the proposition by Macharia (2014), that an organizational strategy that guarantees sustainable competitive advantage also reflects better organizational performance.

As such, the financial viability pulled down the whole hypothesis to non-significance. This might have been triggered by the fact that majority of respondents did not want to portray their facilities as making huge financial profits. This result signified that considering the financial aspect, organizational strategy could not portray a substantial contribution at the outcome point (performance) of the health facilities, thus the hypothesis was upheld.

The statistically not significance also implies that different aspects of strategy have different degrees of significance on organizational performance. The finding in this hypothetical testing contradicts a series of studies that have been conducted previously. For instance, the finding conflicts with empirical studies by Kiliko (2015) and Johnson and Scholes (1993), who noted that performance outcomes are significantly tied to how best the organizational strategies are implemented. Further, result of this inquiry is contradictory to a study by Greenly (1986), who found that organizational strategy poses significant advantages that manifest as continuous improvement of business performance.

The results also contradict the findings by Kariuki (2015), which confirmed a positive linkage between strategy and performance. Moreover, the findings are incongruous with the evidence by Ongonge (2013), which illustrated that strategic planning was significantly associated with organizational performance. Based on the observation by Venkatraman and Prescott (1990), these contradictions and inconsistencies could be attributed to differences in contextual and variable operationalization.

6.4 Organizational Culture and Performance

The linkage between organizational culture and performance variables was investigated using four pertinent aspects of culture. These elements are: organizational process, job, profession and pragmatic orientations. The descriptive statistics revealed that the addressed facilities focus on adopting a pragmatic-oriented organizational culture, with traits geared towards satisfaction of their clients to an extent that is large.

Such a finding is not surprising because health facilities are typically envisaged to have a mission culture of improving the lives of patients. Organizations that embark on clear visions and set strategic goals and objectives that are shared with the employees to facilitate a common understanding ultimately stand at a fitting position to achieve high customer satisfaction. Therefore, the finding suggests that the addressed units take cognizance of the value of initiating a corporate culture inclined to addressing their clients' needs.

The results generated from regression analysis further revealed that the cultural impacts did not significantly improve the outcomes of the units studied. While culture demonstrated positive linkages with the outcome indicators such as efficiency, effectiveness and relevance, a contrary finding was reported with respect to financial viability. In particular, culture was not significantly related to financial viability. These findings are inconsistent with Hofstede's cultural dimensions model, which predicts that different sub-cultures in an organization as well as the overall organizational culture contribute significantly to performance. This inconsistency may be due to the fact that the context of this study may have been a unique one.

The study finding contrasts the evidence by Zakari et al. (2013), which had revealed that corporate culture positively impacted the outcomes of Ghanaian banks. Further, it contradicts the study by Acar and Acar (2014) who found that organizational culture enhanced the performance outcomes of Turkish hospitals. The finding is also non-supportive of Zhou et al. (2011) who established an affirmative link on Chinese hospitals.

This finding corroborates the evidence by Rathert et al., (2012), who established that a health facility's culture that is patient and family-centered has a positive influence on patient's satisfaction. In another study, Salanova et al., (2011) found that a cohesive culture triggers employees' motivation and their commitment to better their performance, which in turn positively predicts customer loyalty and satisfaction. Additionally, this finding reflects the recommendations put forward by the Institute for Patient and Family-Centered Care (2013), that a patient-focused model of care by a health facility guarantees a beneficial symbiotic linkage among the health-care givers, patients and their families. The results generated from regression analysis further revealed a non- statistically significant link between the variables in question..

While culture was found to have significant linkages with performance indicators such as efficiency, effectiveness and relevance, a contrary finding was reported with respect to financial viability. In particular, culture was not significantly related to financial viability. The finding contradicts those by Makhlouk and Shevchuk (2008), who found that organizational culture and smooth cultural integration process enhance performance outcomes. The finding is also non-supportive of the argument put forward by Buku et al., (2015), that culture shapes the overall strength of an institution. Moreover, the finding is incongruous with Carmeli and Tisher (2004), who found that performance is governed by a variety of firm-level factors. These include corporate culture, human capital and governance practices.

From the foregoing discussion, it can be inferred that the results yielded in connection to the culture-performance link do not conform to the findings established by many scholars that an element such as organizational culture could help a firm safeguard its performance and gain competitive advantage. These contradictions, however, could be attributed to contextual differences, which result in pertinent factors within organizational culture (Venkatraman & Prescott, 1990). They may as well be attributed to variable operationalization differences. As some of the previous studies were done in firms operating in various contexts such as different fields and countries, their findings and conclusions may not apply to the current unit of study.

6.5 Organizational Strategy-Culture Co-alignment and Performance

In an effort to address this objective, a hypothesis stating that organizational strategy-culture co-alignment had no positive outcomes on the unit study was formulated. In essence, the underlying task was to investigate whether or not combination of strategy and culture dimensions imposed significant effects on performance outcomes. Canonical correlation methodology and sensitivity analysis were used to test this hypothesis.

The results demonstrated that strategy-culture co-alignment had not statistically significant relationship with the outcome variable, with every construct involved as predicted. The constructs within the strategy-culture fit that exerted significant influence on performance were: futurity, proactivity, analytics, process, profession and pragmatic, leaving out job orientation. On this basis, it was inferred that there lacked sufficient evidence to enable rejection of the proposed null hypothesis.

The finding is inconsistent with Ping et al., (2011), who contended that no stand-alone construct impacts on performance. The scholars noted that culture alone may not have serious ramifications on organizational performance and that other variables are needed to strengthen the cultural effect. Additionally, this finding did not align with the study by Yarbrough et al. (2011) who established a negative but statistically significant link between strategy-culture fit and performance. This finding is inconsistent with the Configuration theory, which predicts that organizations with an effective internal fit of its attributes are able to acquire a competitive advantage that leads to superior performance. Therefore, on the premise of the Configuration theory, it would be expected that the strategy-culture fit would have an influence that is significant on outcomes of the health facilities. However, this study did not affirm that expectation.

Moreover, the findings on this research objective contradicted the propositions of the Contingency theory used in this study as one of the supportive theoretical anchorage. Fundamentally, the Contingency theory posits that the optimal course of action is subject to environmental conditions and association among various variables. Based on the assertion of the theory, optimal performance of the health facilities would be contingent upon environmental aspects, as well as co-alignment of two or more performance predictor variables. In this context, those predictor variables would be strategy and culture. However, this was not the case because the findings revealed that co-aligning the two variables did not yield any meaningful impact on performance outcomes. This discrepancy could be attributed to the uniqueness of the study context and operationalization of its variables.

6.6 Influence of External Environment on the Relationship between Organizational Strategy-Culture Co-alignment and Performance

This objective attempted to investigate whether or not external environment had a moderating role on the linkage between organizational strategy-culture co-alignment and performance. In this regard, it was hypothesized that external environment did not moderate this relationship. This hypothesis was assessed using the moderation procedure recommended by Baron and Kenny (1986). The interaction between strategy-culture co-alignment and external environment resulted in changes in R^2 that were not statistically significant.

These findings are inconsistent with the Contingency theory, where by, for the optimal outcomes to take shape, there must be congruent interaction among various constructs. This theory implies that organizations that achieve an effective internal fit that matches well with the external conditions are able to achieve superior performance. Surprisingly, external environment did not buffer or dampen the repercussions of strategy-culture fit and performance of the health facilities, as results reveal. In other words, external environment did not act as a moderator as expected.

According to Pulaj and Kume (2013), companies thrive economically only if they take into account the environmental factors and adapt to them. This contradicts results realized in this work. The study results are also incongruent with results of a study by Tan and Litschert (1994), who found that companies with suitable environment-strategic responses realize better performance than the ones that fail to respond suitably.

Additionally, the results conflict with the evidence by Machuki (2011), that external environment moderated the effects of co-aligned factors on performance of listed companies in a Kenyan context. Further, results contradict those by Murgor (2014), which indicated that exogenous factors in the business environment affirmatively affect outcomes in terms of performance. The inconsistency in the findings could be attributed to contextual, methodological and operationalization differences as asserted by Venkatraman and Prescott (1990), as well as other factors of consideration within the predictor and criterion variables.

6.7 The Joint and Sum-total Effects of Organizational Strategy, Culture and External Environment on Organizational Performance

Corresponding to this objective was the hypothesis that compared the effects of the joint aspect and the aggregate aspects of those of the individual variables. Following a series of regression tests, it emerged that the R^2 values for the joint effect of strategy, culture and external environment were more than the aggregate effects of R^2 for all outcome dimensions, with the exception of financial viability. Considering the overall performance (with the financial aspect), the joint effect of independent predictor variables did not have less explanatory power than the aggregate effects of the same constructs on the outcome indicators. Consequently, the study rejected the null hypothesis. This finding is congruous with the evidence by Buku et al., (2015), who established that performance is elevated by the combinatory power of several variables acting together.

The finding also ties well with the empirical attestation by Kiliko (2015), that a joint effect of various variables has more implications on performance than the sum-total of any individual variables. Further, the finding backs the tenets of Configuration and Contingency theories. This contends that co-alignment of various factors is bound to enhance organizational performance.

6.7 Chapter Summary

Presented in the already concluding chapter are the results derived from testing of the set hypotheses advanced. The first hypothesis posited that organizational strategy has no significant influence on performance, which was verified by the results as true. The second hypothesis postulated that the implication of organizational culture on the outcome variable is not significant. Produced results from the statistical analysis confirmed this conjecture.

With respect to the third hypothesis, it was presumed that a strategy-culture fit poses no significant influence on performance. This presumption was also validated by the results generated from the statistical analysis. The fourth hypothesis posited that external environment did not elevate or diminish the effects of strategy-culture fit on performance. The results derived from the analysis confirmed this as true.

The fifth hypothesis stated that the shared-effect of predictive variable was not greater than the aggregated independent effects associated with the variables. The results showed that the joint effect was less than the sum-total of independent effects in all aspects considered except one. Consequently, the null hypothesis was rejected.

This chapter highlighted whether the findings were consistent or contradictory to the results obtained from other empirical studies. In addition, ways in which the findings compare with theoretical postulations adopted in the study have also been pointed out. In the next chapter, the summary of salient findings, drawn conclusions and the way forward are provided in detail.

CHAPTER SEVEN

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

This chapter summarizes the pertinent findings generated in this study. The conclusions drawn from these findings and their corresponding implications are also within its purview. In addition, the limitations inherent to the conducting of this study and how they provide the impetus to stimulate more scholarly work in the subject area are provided.

7.2 Summary of Findings

The intended goal of this study was to explore the potential linkages involving strategy, culture, strategy-culture fit, external environment and performance of large private health facilities in Kenya. Accordingly, a set of five specific objectives was formulated. The objectives were to: test the prospect of a relationship between strategy and performance; uncover the impact of organizational culture on performance; probe the linkage between strategy-culture fit and performance; confirm whether external environment plays a moderating role in the link between strategy-culture fit and performance; and examine the combinatory and individual aspects of the specified variables. Each of these objectives was mirrored by a corresponding hypothesis. The first objective involved an empirical scrutiny of the influence of strategy on performance. The corresponding hypothesis (H_{01}), stated: there is no significant influence of strategy on performance. The results from the descriptive statistical analysis revealed that the top-rated item in reference to the organizational strategy was futurity, which entailed putting focus on investments that would provide a competitive edge in the future.

The findings indicate that the organizational strategy of the health facilities is heavily based on decisions that are likely to be influenced by future events, such as customer delightenment and technological advancement. To further explore the link between the two variables, a multiple linear regression analysis was performed. The gotten results revealed that strategy did have an influence that was significant on all criterion variable constructs, but financial viability. Since performance is a multidimensional construct, these results offered enough evidence to not reject the proposed null hypothesis.

As pertains to the second objective, the intent was to investigate how organizational culture affects various performance aspects. To this end, a hypothesis (H_{02}) was brought to the fore that culture exerts no significant influence on performance. The descriptive statistics revealed that facilities focus on adopting a pragmatic-oriented organizational culture with traits geared towards satisfaction of their clients to an extent that is large. The results yielded from application of a multiple linear regression test showed that culture did not affirm of its effects on financial viability indicator. However, it emerged that culture significantly affirmed of its influence on specific aspects of performance, including operational efficiency, effectiveness and organizational relevance. In light of these findings, there was sufficient evidence to not reject the proposed null hypothesis. The non-statistically significant results were again attributed to financial viability, which was one of the indicators of the multidimensional performance variable.

Whether strategy-culture fit imposes significant influence on performance or not, constituted the focus of the third objective of the study. The commensurate hypothesis developed postulated that organizational strategy-culture fit had no significant influence on performance. Drawing on a canonical correlation analytical approach, it was established that strategy-culture co-alignment exhibited a contribution that was not significant to the prediction of organizational performance when all the study variable indicators (sub-variables) were considered together.

A sensitivity analysis was further conducted to identify which co-aligned strategy-culture sub-variables could be extracted following their significant influence on performance. It was found that strategy-culture co-alignment involving futurity, proactivity, analytics, process, profession and pragmatic orientations had a significant impact on performance. Job orientation variable did not buffer or dampen results.

The hypothesis tied to the fourth objective claimed that the external environment did not function as a moderator in the link between strategy-culture co-alignment and performance. This hypothesis was subsequently confirmed by the results yielded from the moderation test methodology proposed by Baron and Kenny (1986). Lastly, the study endeavoured to find out whether or not the combinatory effect of predictive variables were more on outcomes than the aggregated effects of all the individual variables. This formed the fifth objective in the study.

The results led to a discovery that the coefficient of determination connected to the combinatory effect of the variables was significantly greater than the collective coefficients of determination for the independent effects of the same variables. This implied that the joint effect of the predictor variables did not always exhibit less explanatory capacity than the aggregated effects. Consequently, the fifth null hypothesis was rejected.

7.3 Conclusion

From the inquiry, it was revealed that the effect of strategy on performance outcome of the health facilities was not statistically significant. However, the study provided further indication of the nature of relationship between strategy and various performance indicators. Further, it was discovered that strategy did have implications that were significant statistically, on effectiveness, efficiency and relevance dimensions with the exception of financial viability. Overall, these findings contradict the previous findings by Katsavamutima and Jeevananda (2012); Khan and Huda (2016); Khoshataria (2018); and Osman (2017), who observed significant relationships between strategy and performance. Results further demonstrated that organizational culture had effects that were statistically, on significant on effectiveness, efficiency and relevance dimensions with the exception of financial viability. Based on these findings, it was resolved that organizational culture did not have implications that were significant statistically, on performance as a whole.

These findings do not tie well with Hofstede's cultural dimensions model, which predicts that different sub-cultures in an organization and overall organizational culture in extension contribute to its performance. Moreover, the findings contradict the work by Zakari et al. (2013); Makhlouk and Shevchuk (2008); and Carmeli and Tisher (2004). It was also concluded that no linkage that was significant statistically, between organizational strategy-culture fit and facility outputs. This implied that the units of study do not align their strategies and cultures for the achievement of better performance. These findings are inconsistent with Configuration theory and studies such as Yarbrough et al. (2011).

It was further established that the external business environment did not have an affirmative moderating influence on the association between strategy-culture co-alignment and performance outcomes. This contradicted the proposition of one of the supportive theories - Contingency theory, that organizations that align their external contexts and internal attributes are able to achieve better performance. The results also contradicted some studies, such as Murgor (2014), which indicated that exogenous factors in the business environment have an impact that is significant on performance.

Lastly, it was resolved that the combinatory aspect of the predicting variables exhibited more implications on outcomes of the facilities than the aggregated independent effects of the individual variables. These findings offered indications that the predictor variables still account for variations in performance. The finding is consistent with the tenets of Configuration and Contingency theories.

This contends that performance is not necessarily accounted for by one factor but a combination of multiple factors. The finding also mirrored Kiliko (2015) who found that a joint effect of various variables has more implications on performance than the sum-total of any individual variables.

7.4 Implications of the Study

This study has presented a thorough investigation of the dynamics that touch on strategy-culture fit, external environment and performance of organizations. As such, the resultant findings from this study do have considerable implications for various categories of people including theorists, researchers, practitioners and experts in policy-making fields. This portion elaborates on the implications of the results of the inquiry to each of these groups of experts.

7.4.1 Implications for Theory

The study was grounded on various theoretical models such as Configuration theory, Contingency theory and Hofstede's cultural dimensions model. The validation of a theory or its invalidation requires the outcomes of a study to have adequate statistical power in addressing the theoretical propositions. Despite reporting varying degrees of relationships amongst the variables of interest in this study, it was found that the hypothesized relationships were not statistically significant. Therefore, it was not possible to draw definite theoretical implications from the findings due to the low statistical power inherent in the study.

The findings, however, lead to observations suggestive of theoretical implications. For instance, given that strategy-culture co-alignment exhibited significant impact on certain aspects of performance, it implies that strategy-culture fit is still a critical component in shaping performance. As such, the frontiers of knowledge have been extended by the inquiry findings. Further, the basis for further improvement of Configuration and Contingency theories and expanding the work done, especially on strategic orientations and choices made by organizations has been provide.

7.4.2 Implications for Managerial Practice

The findings generated in this study are anticipated to assist managers of large private health facilities in formulating effective strategies with real impact on outcomes. On the bases on the results, it was evident that strategy and culture affect certain performance aspects of the health facilities to a considerable degree. As such managers must adopt governance practices that match with their organizational climate in a bid to remain competitive. Processes that are involved in coming up with strategic decision pave the way for strategic direction for a given organization.

This study has proved that strategic manifestations influence performance in health facilities. Management in all fields will benefit from this study, in the sense that they will use it to formulate internal organizational processes that will guide decision-making. The issue of comprehensiveness of the process is critical as management is able to evaluate available alternatives in adapting decisions. The study covered the importance of having strategic decision-making so as to boost the process of strategy formulation.

The findings inherent in the study confirmed that strategic decision-making is pivotal for strategy formulation because the manner in which management responds to organizational challenges determines the performance of the organization. It was established that the factors in the business environment matter to the health facilities. Managers may find this study useful in connection to the understanding of the importance creating fit of their organizations to the external business environment and achieving the congruency that results to competitiveness. This will empower the organizations to compete not only in the region but also at the global level. Owing to the multidimensional nature of various factors that affect performance, the findings imply that managers must learn to prioritize the most important ones and establish how to effectively measure and monitor them.

7.4.3 Implications for Methodology

The study applied a cross-sectional research design with a positivist philosophical framework. This method worked well with the quantitative data collected and ensured the realization of predictive and interpretive outcomes through hypothesis formulation and testing. The implication of the study is that it proved that a cross-sectional design is applicable in a positivistic framework. As such, the methodology is appropriate for application in future studies seeking to measure effects of the variables addressed in this work on performance in similar contexts. In the course of this investigation, the questionnaire for gathering data was first subjected to a reliability and validity assessment prior to being administered in the field. The assessment confirmed indeed that the scales therein designed to measure various variables of interest were reliable and valid.

As such, this questionnaire serves as a stepping-stone for future researchers seeking to develop or enhance their data gathering instruments within the area of research considered relevant. Testing co-alignment model using canonical correlation analyses is a major contribution by this study. The test is equally foundational for generating substantial insights regarding the linkage between strategy-culture fit and various performance outcomes. Different variables taken into account in this investigation were operationalized into fruitful ways that allowed for robust evaluation of their interrelationships. In particular, the variables were disentangled into simple and recognizable connotations that comprehensively capture the day-to-day operations of an organization. This allowed for easier interpretation of the questions posed to the respondents in the questionnaire.

Regression and canonical correlation analytical approaches were then applied in testing the interconnections among the variables. This in turn permitted the achievement of the principal objectives of this inquiry. At the end of the testing exercise, it was very well understood on how variables interconnected in regard to performance of private health facilities in Kenya.

7.4.4 Implications for Policy

The study informs policymakers on the need to enhance the existing policy frameworks governing healthcare facilities in particular. The findings have revealed that organizational strategy enhances different performance aspects of these facilities to varying degrees. Policymakers need to incorporate set mechanisms that make it easier for these facilities to identify appropriate factors to incorporate within the strategy to stimulate performance.

The principal motivation to creating private hospitals is to give healthcare services that go to improve the welfare of people socially and economically. Performance of these hospitals, therefore, is very critical as they enable the owners to realize the set goals and objectives. From the study results, there are issues as well as measures that could be adopted at the policy level. They may enhance the impact of organizational strategy, culture and strategic decision-making in the private health facilities within the region and beyond. This study found that organizational culture is pivotal because of its influence on decision-making and enhancement of organizational performance. In connection to policy, the results imply that it is imperative to develop guidelines that articulate the right practices that promote excellent cultures as far as private health facilities are concerned. This would ensure that the facilities adopt cultures that fit well with their strategies and changes in their external environment such as evolving international health standards.

The study accentuates the need for favourable and conducive external circumstances to enable improvement in performance of health facilities. The healthcare industry is exceedingly regulated and reliant on state agencies for financing, licensing and accreditation of facilities. As such, the policy decisions undertaken by the state pose far-reaching consequence on the performance of private hospitals. In this regard, the insights yielded in the inquiry imply that in order to elevate performance outcomes of the private healthcare sector, policy makers need to formulate and implement policies geared towards alleviation of bureaucracies that hinder day-to-day smooth operations.

7.5 Limitations of the Study

From a conceptual perspective, the study was mainly limited to strategy-culture co-alignment as a predictor variable and included external environment as a moderator, while performance assumed the part of the criterion variable. A combination of these variables without other known factors statistically limits the findings considerably. For instance, the study did not consider the potential implications of mediating variables that could alter the nature of the interrelationships.

In terms of context, the study outcomes are unique to their own Kenyan context and involve a particular unit of study. The findings may not fit the context of small or medium private health facilities and even public health sector. The study is therefore limited in terms of generalizability of the findings.

From a methodological perspective, the study adopted a descriptive cross-sectional survey design. The design was the most appropriate method available in matching the issues at hand, which included time and financial constraints. Despite its convenience, design does not portray the causal effects on the observed relationships over time. The causal nature of the effects of the co-aligned variables could not be identified. However, the limitations of this study did not compromise the spirit and quality of the study results. Rather they paved the way for future studies.

7.6 Suggestions for Further Research

From this work emerge various future research avenues even as reflected in the limitations established. The study focused on strategy, culture, strategy-culture co-alignment as predictors of organizational performance and external environment as a moderating variable. Future studies should consider incorporating other factors that affect performance. For instance, they could test the possibility of mediating factors that play into the relationship between the variables addressed.

By focused on a Kenyan context, the study limits the generalizability of its findings to other contexts. Similar studies should be conducted in other contexts such as public health facilities and small private hospitals across the country. This would provide a comprehensive picture of the link among organizational strategy-culture co-alignment, external environment and performance in the Kenyan health sector.

This study was cross-sectional in nature and inherent limitations have been highlighted. Therefore, it would be useful to replicate the study using a longitudinal research design. Such studies would help to provide in-depth evidence on the relationship between the said variables and performance over time.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

April 2018.

Dear Respondent,

RE: PhD Thesis Questionnaire

I am a Doctor of Philosophy student in the School of Business Administration, University of Nairobi. I am conducting a research on the topic: Organizational Strategy and Culture co-alignment, External Environment and Performance of Large Private Health Facilities in Kenya. The research is a partial fulfillment of the requirements for the award of the said degree.

Your facility has been selected for this study, since it falls on the category addressed. The information and data required are meant ONLY for academic purposes and will be treated with utmost confidentiality. Your name will not be mentioned anywhere in this research. Kindly, respond to all questions honestly and to the best of your knowledge. You may use an extra paper if necessary. A copy of the thesis will be availed to your facility upon request.

Thank you a great deal for your cooperation.

Yours Sincerely,

Mati Alexander

PhD Student

Dr. Vincent Machuki – University Supervisor

Prof. James Njihia – University Supervisor

Prof. Martin Ogutu – University Supervisor

APPENDIX II: RESEARCH QUESTIONNAIRE

This questionnaire seeks to collect data on the various aspects of the study. Data collected will be used for the study purposes only. Kindly respond to all questions honestly and to the best of your knowledge.

SECTION A: BACKGROUND INFORMATION

1. Name of the facility----------
2. Facility Registration Number----------
3. Size of the facility (Number of beds). **TICK** as appropriate
    a. 0-10 ( )
    b. 11-99 ( )
    c. 100-199 ( )
    d. 200 and above ( )
4. Respondent Title ----------
5. How long has the facility existed? **TICK** as appropriate
    a. Less than a year ( )
    b. 1-5 years ( )
    c. 6-10 years ( )
    d. 11-15 years ( )
    e. Over 15 years ( )
6. How long have you worked in the facility? **TICK** as appropriate
    a. Less than a year ( )
    b. 1 - 3 years ( )
    c. 4 - 6 years ( )
    e. 7 - 9 years ( )
    f. Over 9 years ( )

SECTION B: ORGANIZATIONAL STRATEGY

7. The following statements are descriptive of strategy in your hospital. Please indicate the extent to which each statement applies to your hospital. Use the key below and **TICK** as appropriate.

   Key: 1=Not at all; 2=Small extent; 3=Moderate extent; 4=Large extent; 5=Very large extent

A	**FUTURITY: Strategic decision making**	1	2	3	4	5
7a	In making strategic decisions, we look into the future to anticipate conditions"					
7b	We emphasize investments that will provide us with future competitive edge					
7c	We sacrifice short-term profitability for long-term goals					
B	**PROACTIVITY: Strategic decision making**					
7d	In making strategic decisions, we constantly seek to introduce a new product or service in the market					
7e	In analyzing situations, we evaluate possible consequences thoroughly and obtain alternatives					
7f	We seek opportunities that have been shown to be promising					
7g	We search for big opportunities and favour large and bold decisions despite the uncertainty of their outcomes					
C	**ANALYTIC: Strategic decision making**					
7h	We implement our strategic decisions on a 'stage by stage' basis rather than 'blanket' implementation					
7i	In making strategic decisions, we respond to signals of opportunities quickly					

SECTION C: ORGANIZATIONAL CULTURE

8. The following statements are descriptive of Culture in your hospital facility. Please indicate the extent to which each statement applies to your hospital. Use the key below and **TICK** as appropriate.

   Key: 1=Not at all; 2=Small extent; 3=Moderate extent; 4=Large extent; 5=Very large extent

A	**PROCESS ORIENTATION**	1	2	3	4	5
8a	We have clear assignment of responsibilities that support strategy implementation					
8b	We have work processes that are highly automated					
8c	We have decision making process that is highly decentralized					
8d	The systems used to manage the facility have always been adopted to support strategy implementation goals					
8e	We perceive our practices differently at different levels of strategy implementation to ensure appropriate results					
	JOB ORIENTATION	1	2	3	4	5
8f	We are mostly concerned with employee performance					
8g	We measure employee performance and reward it accordingly					
8h	We have established effective systems, guidelines and policies					
8i	We avoid risks in our business practices					
8j	We often do capacity building to the employees as needs arise					
8k	The input of every employee is considered in management decisions to ensure that job is well done					

	PROFESSION ORIENTATION	1	2	3	4	5
8l	We have the ability to analyze and predict the behavior of competitors					
8m	We have highly charged, motivated and loyal employees					
8n	We have rare, valuable and imperfectly imitable facility culture					

8o	We have high level of client service quality					
8p	We provide enough resources to all units to enable quality strategy implementation					
8q	We have professional knowledge embedded in the facility culture					
	PRAGMATIC ORIENTATION	1	2	3	4	
8r	We are often flexible in dealing with the client					
8s	We make decisions according to the situation at hand					
8t	We have the client satisfaction as the driving force in our facility					
8u	We rarely follow rules and procedures to the letter in our operations and processes					

SECTION D: EXTERNAL ENVIRONMENT

Another aspect of this study is External Environment. For the purposes of this study, external environment means the external changes that have internal impact and cause variation in the performance of a facility.

9. How do you describe the external environment in which your facility operates?
10. Does your facility regularly collect information on its external environment? **TICK** as appropriate

    Yes ( ) No ( )
11. If Yes in (10) above, how is the exercise conducted and what is its use to the facility?

Complexity orientation statements

Complexity refers to the range of environmental issues and their heterogeneity.

12. Please indicate in each set of the factors **how much issues** your facility needed to deal with in strategic decision-making processes in the last five years. Use the key provided and **TICK** as appropriate.

Key: 1-Not at all; 2-Small extent; 3-Moderate extent; 4-Large extent; 5-Very large extent

	Influence on strategic decision making	1	2	3	4	5
12a	Political factors					
12b	Economic factors					
12c	Technological factors					
12d	Social-cultural factors					
12e	Ecological factors like weather conditions					
12f	Competition in the industry					
12g	Your creditors' actions					
12h	Client behaviour					
12i	Legal requirements					
12j	Trade union's activities					
12k	Bargaining power of suppliers over your facility					
12l	Labour market dynamics					

13. In each of the environmental factors, **how many/much issues are different from or similar to each other in each environmental aspect?** Use the key below and **TICK** as appropriate.

Key: 1=Not at all; 2=Very few; 3=Moderate number; 4=Many; 5=Very many

	Issues to deal with	1	2	3	4	5
13a	Political factors					
13b	Economic factors like market and economic growth					
13c	Technological factors					
13d	Social-cultural factors like social values and demographics					
13e	Ecological factors like weather conditions					
13f	Competition in the industry					
13g	Your creditors' actions					
13h	Client behaviour					
13i	Legal factors					

13j	Trade union's activities					
13k	Bargaining power of suppliers over your facility					
13l	Labour market dynamics					

Munificence orientation statements

Munificence refers to the extent of availability or scarcity of resources in the facility's external environment.

14. Please indicate to what extent has development in each of these factors been **favourable** to your facility in the last five years? Use the Key below and **TICK** as appropriate. **Key: 1=Not at all; 2=Small extent; 3=Moderate extent; 4=Large extent; 5=Very large extent**

	Favourable development	1	2	3	4	5
14a	Political factors					
14b	Economic factors					
14c	Technological factors					
14d	Social factors					
14e	Ecological factors					
14f	Competition in the industry					
14g	Your creditors' actions					
14h	Client behaviour					
14i	Legal factors					
14j	Trade union's activities					
14k	Bargaining power of suppliers over your facility					
14l	Labour market dynamics					

Dynamism orientation statements

Dynamism refers to the degree of change and unpredictability of factors in the facility's environment.

15. To what extent has the development in each of the following factors in the external environment become more **predictable**? Use the key below and **TICK** as appropriate.

Key: 1=Not at all; 2=Small extent; 3=Moderate extent; 4=Large extent; 5=Very large extent

	Environmental factors	1	2	3	4	5
15a	Political factors					
15b	Economic factors					
15c	Technological factors					
15d	Social factors					
15e	Ecological factors					
15f	Competition in the industry					
15g	Your creditors' actions					
15h	Client behaviour					
15i	Legal factors					
15j	Trade union's activities					
15k	Bargaining power of suppliers over your facility					
15l	Labour market dynamics					

16. In each set of the following factors, **how much of change** have you observed in the last five years? Use the key below and **TICK** as appropriate.

Key: 1=No change at all; 2=Little change; 3=Moderate change; 4=Great change; 5=Very great change.

	Observed change in environmental factors	1	2	3	4	5
16a	Political factors					
16b	Economic factors					
16c	Technological factors					
16d	Social factors					
16e	Ecological factors					
16f	Competition in the industry					
16g	Your creditors' actions					
16h	Client behaviour					
16i	Legal factors					
16j	Trade union's activities					

16k	New entrants into your facility industry					
16l	Bargaining power of suppliers over your facility					
16m	Labour market dynamics					

SECTION E: ORGANIZATIONAL PERFORMANCE

Another aspect of this study is Organizational Performance. For the purposes of this study, Organizational performance means non-financial and financial picture or image that the public has on the facility, based on efficiency, effectiveness, relevance and financial viability.

16. Does aligning your facility's strategic behaviour with the cultural developments have any impact on the facility's performance? Yes ( ) No ( ). Please explain.

17. The following statements are descriptive of an organizational performance. Please indicate the extent to which each statement applies to your hospital. Use the Key below and **TICK** as appropriate.

Key: 1=Not at all; 2=Small extent; 3=Moderate extent; 4=Large extent; 5=Very large extent.

	Facility operational efficiency orientation statements	1	2	3	4	5
18a	High-quality administrative systems are in place (financial, human resources, program, strategy, etc.) to enhance the efficiency of the organization					
18b	Optimal use of financial resources in the facility is made					
18c	Frequency of system breakdown is very high					
18d	Optimal use of physical facilities (buildings, equipment) is made					
18e	Timeliness of service delivery is ensured					
18f	There is high client inflow as depicted by registration files					
18g	Costs per client served is established to ensure efficiency					
18h	Our service quality has improved in the last five years					
18f	Our market share has been improving in the last five years as evidenced by registration files					
18i	We are keen on operations and processes that can reduce costs					
18j	Clients' complaints are responded to within 24 hours					

18k	The mission statement and other documents provide the reason for the existence of the organization					
18l	The mission is operationalized through our current training program goals, objectives, and activities					
18m	Quantitative and qualitative indicators are used to capture the essence of the mission					
18n	A system is in place to assess effectiveness of the organization					
18o	The Organization monitors effectiveness					
18p	The Organization uses feedback from stakeholders and clients to improve itself					
	Organizational relevance statements	1	2	3	4	5
18q	The strategy is undergoing review now and then					
18r	Regular program revisions reflect changing environment and capacities of the facility					
18s	Our facility regularly reviews the environment to adapt its strategy accordingly					
18t	The organization regularly reviews the environment to adapt its strategy accordingly					
18u	Innovation is encouraged all the time					
18v	The organization monitors its reputation frequently					

Financial Viability

To survive, your facility's inflow of financial resources must be greater than the outflow.

18. Please indicate the extent to which your facility is financially sustainable as measured by the following statements. Use the Key below and **TICK** as appropriate.

Key: 1=Not at all; 2=Small; 3=Moderate extent; 4=Large extent; 5=Very large extent

	Financial viability statements	1	2	3	4	5
19a	Existing funding sources offer sustained support to the facility					
19b	Our facility monitors finances on a regular basis to enable decision- making					
19c	The facility consistently has more revenue than expenses					
19d	Our financial performance has made assets to be greater than liabilities in the last few years					
19e	To what extent is positive financial index realized as shown by the ratio of total assets to total liabilities					
19f	Our facility uses the ratio of current assets to current liabilities to gauge its performance and enable decision-making					
19g	In our facility, there is growth in terms of amount of resources mobilized, assets, capital and revenues within the last 5 years					

THE END - Thank you for your time and cooperation.

APPENDIX III: REGISTERED PRIVATE HEALTH FACILITIES IN KENYA

	Facility Name	Reg. No.	Address	Facility Type	No. of Beds
1	Nyangena Hospital Ltd	192	Box 3492 40200 Kisii	Hospital Level 4	100
2	Ojele Memorial Hospital	240	Box 355 40400 Migori	Hospital Level 4	100
3	Gertrudes Garden Children Hospital Muthaiga	330	Box 42325 00100 Nairobi	Hospital Level 4	100
4	Outspan Hospital	487	Box 2058 10100 Nyeri	Hospital Level 4	100
5	Coptic Hospital	575	Box 21540 00505 Nairobi	Mission Hospital Level 4	100
6	Holy Family Hospital Nangina	1195	Box 57 50406 Funyula	Mission Hospital Level 3	100
7	St. Francis Community Hospital	1402	Box 62676 00200 Nairobi	Mission Hospital Level 3	100
8	St. Josephs Mission Hospital Kilgoris	2054	Box 40 40700 Kilgoris	Mission Hospital Level 3	100
9	St. Akidiva Mindira Hospital Mabera	2982	Box 806 40400 Migori	Mission Hospital Level 3	100
10	Nairobi West Hospital	516	Box 43375 00100 Nairobi	Hospital Level 6	102
11	The Karen Hospital	1200	Box 1500 00502 Nairobi	Hospital Level 6	103
12	Pandya Memorial Hospital	569	Box 90434 80100 Mombasa	Hospital Level 5	103
13	Mwea Medical Centre	261	Box 187 10303 Wanguru	Hospital Level 4	106
14	Kagio Nursing Home	541	Box 809 10300 Kagio	Nursing Home	107
15	St. Leonard's Hospital	211	Box 128 20200 Kericho	Nursing Home	110

Registered Large Private Health Facilities Cont…….

16	Friends Lugulu Hospital	563	Box 43 50205 Webuye	Mission Hospital Level 4	110
17	Lions Sight first Eyes Hospital	1756	Box 66576 00800 Nairobi	Eye Hospital	118
18	Cottolengo Mission Hospital	268	Box 1426 60200 Meru	Mission Hospital Level 4	120
19	Kerugoya Medical Centre	544	Box 1068 10300 Kerugoya	Nursing Home	120
20	Ortum Mission Hospital	817	Box 1312 30200 Kitale	Mission Hospital Level 4	120
21	St. Mary's Mission Hospital Rift valley Branch	1543	Box 168 20116 Gilgil	Mission Hospital Level 4	120
22	Diocese Of Meru St. Theresa Mission Hospital - Kiirua	2329	Box 2095 60200 Meru	Mission Hospital Level 4	120
23	Christamarianne Mission Hospital (Asumbi)	2906	Box 1095 40200 Kisii	Mission Hospital Level 4	120
24	The Mombasa Hospital	347	Box 90294 80100 Mombasa	Hospital Level 5	124
25	Bishop U. J. Kioko Catholic Hospital	123	Box 2240 90100 Machakos	Mission Hospital Level 4	125
26	Mutomo Mission Hospital	981	Box 16 90201 Mutomo	Mission Hospital Level 4	129
27	A.I.C Kapsowar Mission Hospital	1542	Box 68 30705 Kapsowar	Mission Hospital Level 3	130
28	Racecourse Hospital	3212	Box 4249 30100 Eldoret	Hospital Level 5	144
29	St. Camillus Mission Hospital Karungu	142	Box 119 40401 Karungu	Mission Hospital Level 4	145
30	Pastor Machage Memorial Hospital	793	Box 15292 00509 Nairobi	Hospital Level 4	150

Registered Large Private Health Facilities Cont…….

31	Mulatya Memorial Hospital	5016	Box 75 90138 Makindu	Hospital Level 4	150
32	Kericho Nursing Home	379	Box 510 20200 Kericho	Nursing Home	157
33	Kaplong Mission Hospital	943	Box 4 20406 Sotik	Mission Hospital Level 4	159
34	A.I.C Litein Hospital	242	Box 200 20210 Litein	Mission Hospital Level 4	160
35	Ram Hospital Kisii	568	Box 81 40200 Kisii	Hospital Level 4	160
36	A.C.K. Maseno Hospital	1018	Box 116 40105 Maseno	Mission Hospital Level 4	160
37	The Mater Hospital	885	Box 30524 00100 Nairobi	Mission Hospital Level 4	165
38	Consolata Hospital Kyeni	791	Box 38 60103 Runyenjes	Mission Hospital Level 4	167
39	Shalom Hospital	477	Box 1513 Machakos	Hospital Level 4	170
40	Kendu Bay Adventist Hospital	1278	Box 20 40301 Kendu Bay	Mission Hospital Level 4	170
41	Consolata Hospital Mathari	637	Box 25 10100 Nyeri	Mission Hospital Level 4	178
42	North Kinangop Catholic Hospital	799	Box 88 20318 North Kinangop	Mission Hospital Level 4	192
43	Hema Hospital	1085	Box 2 40200 Kisii	Hospital Level 4	195
44	St. Josephs Mission Hospital Migori	814	Box 250 40400 Migori	Mission Hospital Level 4	200
45	Catholic Hospital Wamba	2381	Box 17 20603 Wamba	Mission Hospital Level 4	200
46	P.C.E.A Tumutumu Mission Hospital	561	Box Private Bag 10101 Karatina	Mission Hospital Level 4	203
47	Athi River Shalom Community Hospital	1474	Box 505 Athi River	Hospital Level 4	210
48	P.C.E.A Kikuyu Hospital	1878	Box 45 00902 Kikuyu	Mission Hospital Level 4	218
49	Nazareth	894	Box 49682	Mission Hospital	

Registered Large Private Health Facilities Cont……

	Mission Hospital		00100 Nairobi	Level 4	220
50	Our Lady of Lourdes Mwea Hospital	1051	Box 51 10303 Wanguru	Mission Hospital Level 4	226
51	St. Elizabeth Mission Hospital Mukumu	1659	Box 127 50100 Kakamega	Mission Hospital Level 4	240
52	Tabaka Mission Hospital	436	Box 6 40229 Tabaka	Mission Hospital Level 4	245
53	St. Mary's Mission Hospital Mumias	1661	Box 250 50102 Mumias	Mission Hospital Level 4	255
54	Consolata Hospital Nkubu	1169	Box 205 60200 Meru	Mission Hospital Level 4	270
55	Maua Methodist Hospital	72	Box 63 60600 Maua	Mission Hospital Level 4	275
56	The Aga Khan University Hospital Nairobi	1001	Box 30270 00100 Nairobi	Hospital Level 6	280
57	AIC Kijabe Hospital	1185	Box 20 00220 Kijabe	Mission Hospital Level 4	293
58	Tenwek Mission Hospital	312	Box 39 20400 Bomet	Mission Hospital Level 4	294
59	PCEA Chogoria Hospital	437	Box 35 60401 Chogoria	Mission Hospital Level 4	312
60	St. Mary's Mission Hospital	201	Box 3409 00506 Nairobi	Mission Hospital Level 4	320
61	The Nairobi Hospital	821	Box 30026 00100 Nairobi	Hospital Level 6	357

APPENDIX IV: REGRESSION OUTPUT ON ORGANIZATIONAL STRATEGY AND PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.374[a]	.140	.092	.37009

a. Predictors: (Constant), Analytic, Futurity, Proactivity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.205	3	.402	2.933	.042[b]
	Residual	7.396	54	.137		
	Total	8.601	57			

a. Dependent Variable: Facility_Operational_Efficiency

b. Predictors: (Constant), Analytic, Futurity, Proactivity

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.466[a]	.217	.174	.50257

a. Predictors: (Constant), Analytic, Futurity, Proactivity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.784	3	1.261	4.994	.004[b]
	Residual	13.639	54	.253		
	Total	17.423	57			

a. Dependent Variable: Facility_Operational_Effectiveness

b. Predictors: (Constant), Analytic, Futurity, Proactivity

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.487[a]	.237	.195	.54102

a. Predictors: (Constant), Analytic, Futurity, Proactivity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.921	3	1.640	5.604	.002[b]
	Residual	15.806	54	.293		
	Total	20.727	57			

a. Dependent Variable: Organizational_Relevance

b. Predictors: (Constant), Analytic, Futurity, Proactivity

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.305[a]	.093	.043	.58814

a. Predictors: (Constant), Analytic, Futurity, Proactivity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.915	3	.638	1.845	.150[b]
	Residual	18.679	54	.346		
	Total	20.594	57			

a. Dependent Variable: Financial_Viability

b. Predictors: (Constant), Analytic, Futurity, Proactivity

APPENDIX V: REGRESSION OUTPUT ON ORGANIZATIONAL CULTURE AND PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437[a]	.191	.130	.36232

a. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.643	4	.411	3.130	.022[b]
	Residual	6.958	53	.131		
	Total	8.601	57			

a. Dependent Variable: Facility_Operational_Efficiency

b. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.528[a]	.279	.224	.48689

a. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.859	4	1.215	5.124	.001[b]
	Residual	12.564	53	.237		
	Total	17.423	57			

a. Dependent Variable: Facility_Operational_Effectiveness

b. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550[a]	.302	.250	.52231

a. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.268	4	1.567	5.744	.001[b]
	Residual	14.459	53	.273		
	Total	20.727	57			

a. Dependent Variable: Organizational_Relevance

b. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.390[a]	.152	.088	.57393

a. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.136	4	.784	2.380	.063[b]
	Residual	17.458	53	.329		
	Total	20.594	57			

a. Dependent Variable: Financial_Viability

b. Predictors: (Constant), Pragmatic_Orientation, Job_Orientation, Process_Orientation, Professional_Orientation

APPENDIX VI: CANONICAL CORRELATION OUTPUT (FULL MODEL)

* * * * * * * * * * * * * * * * * A n a l y s i s o f V a r i a n c e -- Design 1 * * * * * * * * *

EFFECT .. WITHIN CELLS Regression
Multivariate Tests of Significance (S = 4, M = 1 , N = 22 1/2)

Test Name	Value	Approx. F	Hypoth. DF	Error DF	Sig. of F
Pillais	,63605	1,35055	28,00	200,00	,123
Hotellings	,88981	1,44595	28,00	182,00	,079
Wilks	,47424	1,40295	28,00	170,88	,099
Roys	,36216				

Eigenvalues and Canonical Correlations

Root No.	Eigenvalue	Pct.	Cum. Pct.	Canon Cor.	Sq. Cor
1	,56779	63,80949	63,80949	,60180	,36216
2	,23344	26,23516	90,04465	,43504	,18926
3	,05493	6,17299	96,21764	,22818	,05207
4	,03366	3,78236	100,00000	,18044	,03256

APPENDIX VII: CANONICAL CORRELATION OUTPUT (REVISED MODEL)

EFFECT .. WITHIN CELLS Regression

Multivariate Tests of Significance (S = 4, M = 0, N = 23 1/2)

Test Name	Value	Approx. F	Hypoth. DF	Error DF	Sig. of F
Pillais	,53902	1,61971	20,00	208,00	,050
Hotellings	,76158	1,80875	20,00	190,00	,022
Wilks	,53001	1,72429	20,00	163,46	,034
Roys	,36050				

Eigenvalues and Canonical Correlations

Root No.	Eigenvalue	Pct.	Cum. Pct.	Canon Cor.	Sq. Cor
1	,56371	74,01870	74,01870	,60041	,36050
2	,13938	18,30118	92,31987	,34975	,12233
3	,04783	6,28016	98,60004	,21365	,04565
4	,01066	1,39996	100,00000	,10271	,01055

Dimension Reduction Analysis

Roots	Wilks L.	F	Hypoth. DF	Error DF	Sig. of F
1 TO 4	,53001	1,72429	20,00	163,46	,034
2 TO 4	,82877	,81276	12,00	132,58	,637
3 TO 4	,94429	,49431	6,00	102,00	,811
4 TO 4	,98945	,27721	2,00	52,00	,759

[illegible] (cont.)

Univariate F-tests with (5;52) D. F.

Variable	Sq. Mul. R	Adj. R-sq.	Hypoth. MS	Error MS	F	Sig. of F
Facility	,20400	,12747	,35093	,13166	2,66539	,032
Facili_1	,31172	,24554	1,08622	,23061	4,71016	,001
Organiza	,34544	,28250	1,43202	,26091	5,48858	,000
Financia	,15598	,07483	,64246	,33427	1,92200	,106

Standardized canonical coefficients for DEPENDENT variables

	Function No.			
Variable	1	2	3	4
Facility	,02462	-,18535	,97610	-1,08027
Facili_1	,33854	1,13952	-1,36085	-,50196
Organiza	,62448	-1,35422	,24593	,97288
Financia	,12510	,76339	,55599	,58361

Correlations between DEPENDENT and canonical variables

	Function No.			
Variable	1	2	3	4
Facility	,73277	,01311	,39705	-,55248
Facili_1	,91690	,20867	-,24489	-,23619
Organiza	,96942	-,23189	,01812	,07825
Financia	,52896	,59029	,49411	,35723

CAN. VAR.	Pct Var DEP	Cum Pct DEP	Pct Var COV	Cum Pct COV
1	64,93060	64,93060	23,40717	23,40717
2	11,14826	76,07886	1,36374	24,77091
3	11,55230	87,63115	,52731	25,29822
4	12,36885	100,00000	,13048	25,42870

Standardized canonical coefficients for COVARIATES

	CAN. VAR.			
COVARIATE	1	2	3	4
Futurity	,41839	-,17513	-,29694	,28499
Process_	,76812	-,57338	-,45651	,04957
Job_Orie	-,11583	-,25897	1,34777	,66228
Professi	-,11151	1,61383	-,72049	-,08063
Pragmati	,13381	-,32075	,71056	-,99669

Correlations between COVARIATES and canonical variables

	CAN. VAR.			
Covariate	1	2	3	4
Futurity	,81454	,01849	-,04296	,16309
Process_	,92569	,12105	,08148	,08845
Job_Orie	,51893	,35298	,65643	,41240
Professi	,61464	,75798	,21129	-,01919
Pragmati	,57404	,18454	,41087	-,67671

APPENDIX VIII: UNIVERSITY LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF BUSINESS

Telephone: 4184160-5 Ext 215
Telegrams: "Varsity" Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, KENYA

6th July, 2018

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
ALEXANDER MATI – REGISTRATION NO. D80/92521/2013

The above named is a registered PhD candidate at the University of Nairobi, School of Business. He is conducting research on ***"Organizational Strategy and Culture Co-Alignment, External Environment and Performance of Large Private Health Facilities in Kenya.***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

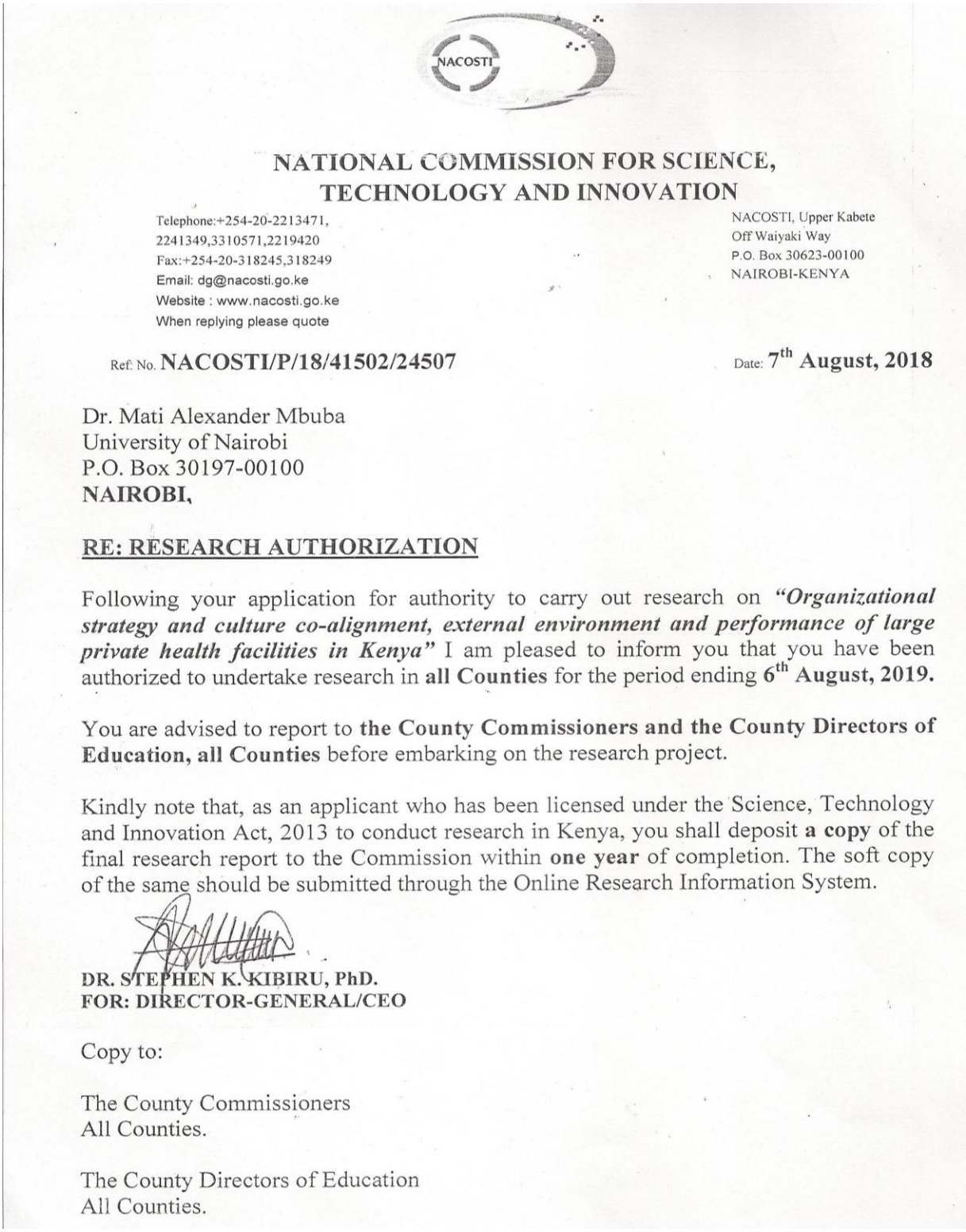
Thank you.

Graduate Studies Office
P.O. Box 30197
University of Nairobi

Prof. Mary Kinoti
Associate Dean, Graduate Business Studies
School Of Business

MK/rm

APPENDIX IX: RESEARCH AUTHORIZATION LETTER



NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/18/41502/24507**

Date: **7th August, 2018**

Dr. Mati Alexander Mbuba
University of Nairobi
P.O. Box 30197-00100
NAIROBI,

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Organizational strategy and culture co-alignment, external environment and performance of large private health facilities in Kenya"*** I am pleased to inform you that you have been authorized to undertake research in **all Counties** for the period ending **6th August, 2019.**

You are advised to report to **the County Commissioners and the County Directors of Education, all Counties** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

DR. STEPHEN K. KIBIRU, PhD.
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioners
All Counties.

The County Directors of Education
All Counties.

APPENDIX X: RESEARCH PERMIT

THIS IS TO CERTIFY THAT:
DR. MATI ALEXANDER MBUBA
of UNIVERSITY OF NAIROBI, 0-60100
EMBU,has been permitted to conduct
research in *All Counties*

on the topic: *ORGANIZATIONAL STRATEGY AND CULTURE CO-ALIGNMENT, EXTERNAL ENVIRONMENT AND PERFORMANCE OF LARGE PRIVATE HEALTH FACILITIES IN KENYA*

for the period ending:
6th August,2019

Permit No : NACOSTI/P/18/41502/24507
Date Of Issue : 7th August,2018
Fee Recieved :Ksh 2000

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the Licence and any rights thereunder are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
5. Excavation, filming and collection of specimens are subject to further permissions from relevant Government agencies.
6. This Licence does not give authority to transfer research materials.
7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
8. The Commission reserves the right to modify the conditions of this Licence including its cancellation without prior notice.

REPUBLIC OF KENYA

NACOSTI

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No.A 19922

CONDITIONS: see back page

ORGANIZATIONAL STRATEGY AND CULTURE CO-ALIGNMENT, EXTERNAL ENVIRONMENT AND PERFORMANCE OF LARGE PRIVATE HEALTH FACILITIES IN KENYA

ORIGINALITY REPORT

Approved 17.11.2020

7%	6%	3%	3%
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