CHALLENGES OF STRATEGY IMPLEMENTATION IN PUBLIC AND PRIVATE HOSPITALS IN NAIROBI COUNTY

BY

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DECLARATION

I hereby declare that this is my original work and has not been submitted for any award at any other institution.

Student:

Signature…………………………… Date…………………………………….

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D61/60175/2011

This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

This research proposal is especially dedicated to my entire family members for their love, encouragement and support throughout my studies.

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I most sincerely thank the almighty God for giving me good health to carry out this research. I salute my supervisor Mr. J. N. Kagwe who devotedly guided and encouraged me through the project. I am convinced that without his support, this study would not have been a success.

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ABSTRACT

Strategy implementation is an area in business strategic thought that has traditionally suffered from a lack of interest. Commonly, businesses expect business thought to deliver the up to date trends within business practice and the focus of business thought has been on matters other than strategy implementation. This has created a situation where there is a need for clarifications at various levels of decision making within a company. This study looked at the challenges of strategy implementation. The primary objectives of an organization are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The study reviewed literature on what is considered to be challenges of implementation of formulated strategy by organizations. The target population of this study consisted of 59 Public and Private Hospitals in Nairobi. Stratified random sampling was used to obtain the sample that was used for my study. The study used primary data collected through a structured questionnaire divided into two sections. The respondents included top management in public and private hospitals in Nairobi and they were expected to give an insight into some of the strategy implementation challenges. Data collected was sorted and analysed by use of frequency charts, graphs, and pie charts to tabulate the information gathered appropriately. Results show that the main factors affecting strategy implementation in public and private hospitals include; organization structure, strategy formulation, communication, organizational changes, coordination of activities, resource insufficiency and organizational culture.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy implementation is the translation of chosen strategy into organizational action so as to achieve formulated strategic goals and objectives. Strategic formulation includes the setting of the mission, goals and objectives for the organization, the analysis of the external environment as it affects the organization, together with its internal resources and the choice of strategic alternatives (Thompson and Strickland, 2003). Physical distances hindering the necessary, cross-functional collaboration in the organization form physical barriers in strategy implementation. Interpretive barriers are formed by the different ways different units interpret and comprehend the strategy. Personality barriers reflect the personal characteristics of key personnel, as well as between different groups in the organization's hierarchy. Another important barrier is that of varied goals amidst the organization and its units. Noble's perspective, therefore, is that of the organization as consisting of different units and functional groups. His novel contribution to the discussion of effective implementation is that for effective implementation, the strategist must create unofficial communication networks (Noble, 1999).

According to Galbraith and Schendel (2002), challenges to good management functions of planning, controlling, organizing, motivating, leading, directing, integrating, communicating and innovations are to some degree applied in the implementation process which will lead to poor strategic implementation in health sector. Hendry and

Kiel (2004), also explain that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards and control systems are essential strategy implementation ingredients.

Private sector healthcare delivery in low- and middle-income countries is sometimes argued to be more efficient, accountable, and sustainable than public sector delivery. Conversely, the public sector is often regarded as providing more equitable and evidence-based care. There is a notion that private sector is usually more efficient, accountable, or medically effective than the public sector; however, the public sector appears to frequently lack in timeliness and hospitality towards patients. Constraints that prevent governments from effectively using the resources made available to them (also known as absorptive capacity issues), inflexibility, centralized decision making has been identified as the key stumbling blocks to attaining goals in the public health sector (Loevinsohn and Harding, 2005).

1.1.1 Challenges of Strategy Implementation

The challenges of strategy implementation are illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps and Kauffman, 2005). The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The key to success is an integrative view of the implementation

process (Raps and Kauffman, 2005). Awino (2001), identified four challenge areas affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communication systems; resource allocation and failure to impart new skills. He identified most challenges as concerning connecting strategy formulation to implementation; resource allocation; match between structure with strategy; linking performance and pay to strategies; and creating a strategy supportive culture.

The successful management of strategy implementation requires thoughtful planning on the part of change leaders and the involvement of those to be affected by it. A common challenge to strategy implementation is resistance from those who feel that the implementation is being forced on them. According to Chapman (2005), introducing change in an environment characterised by such resistance renders the change hardly achievable. This is because a change in the 'status quo' normally creates some apprehension on the part of those who have not fully appreciated the change outcomes and their implications. Strategy implementation scholars have argued that this resistance is sometimes driven by factors other than the change itself, including the anxiety regarding expected outcomes. In this respect, resistance is merely an indicator of underlying challenges which need to be addressed by implementation leaders. Management can use the nature of the resistance as an indicator of the underlying problems rather than inhibiting it at once (Burnes, 1998). Such challenges include communication (the language of change), skepticism by stakeholders based on previous

experience with failed change programs, an unsupportive organizational culture and ineffective change agents.

1.1.2 Comparative Analysis of Challenges of Strategy Implementation

The success or failure of strategies is linked, to a great measure to how they are implemented (Stalk and Lachenauer, 2004). Poor implementation can make sound strategic decisions ineffective, while successful implementation can make a doubtful strategic choice successful (Mintzberg, Quinn, and Ghoshal, 2003). However, implementation of strategy exhibits its own resistance which can invalidate the planning effort.

The importance of strategy implementation is underscored by its repeated mention, either explicitly or implicitly in the various definitions of strategic management by different scholars (Pearce and Robinson, 2005). Despite this significant mention and emphasis of its importance, tools of its facilitation and its challenges appear not to have been adequately addressed in literature. This situation has led to failed plans and abandoned planning efforts (Weiss and Birnbaum, 1989). It may appear imperative therefore, that implementation is the nourishment and stimulant for the sustenance of strategic management and it is at the heart of the discipline.

The essence of implementation is to create a re-orientation in the organisational status to align it with the planned strategic decision. This re-orientation is in itself a change, which elicits resistance. Resistance to change occurs whenever an organisational change

introduces a discontinuous departure from the historical behaviour, culture, and power structure (Ansoff and McDonnell, 1990). This identifies the threshold of the implementation challenge. The need to implement a new strategy requires the installation of new capabilities to support the strategy in order to realise the intended objectives which would appear to be measured by the level of implementation achieved.

Several studies suggested that the process of privatizing existing public services increased inequalities in the distribution of services (Yoong et al, 2010). Analyses of the Tanzanian and Chilean health systems found that privatization led to many clinics being built in areas with less need, whereas prior to privatization government clinics had opened in underserved areas and made greater improvements in expanding population coverage of health services. Privatization in China was statistically related to a rise in out-of-pocket expenditures, such that by 2001, half of Chinese surveyed reported that they had forgone health care in the previous year due to costs; out-of-pocket expenses accounted for 58% of healthcare spending in 2002 compared with 20% in 1978 when privatization began (Agha, 2008). The cost burdens of privatization related to an increase in disparities in healthcare coverage and infant mortality between urban and rural areas. One survey-based study using Demographic Health Survey data from 34 sub-Saharan African countries found that privatization was associated with increased access, and reduced disparities in access between rich and poor. A second analysis of the same dataset, however, found no change in inequality in use of modern contraceptives with the expansion of the private sector (Decker and Montagu, 2007)

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1.1.3 Health Sector in Kenya

Kenya's health care system is structured in a step-wise manner so that complicated cases are referred to a higher level. Gaps in the system are filled by private and church run units. The structure thus consists: Dispensaries and private clinics, Health centres, Sub-district hospitals and nursing homes, District hospitals and private hospitals, Provincial hospitals and National hospitals.

Hospitals are open systems strongly influenced by the environment in which they operate (McKee and Healy 2002a). They interact with the surrounding environment to secure the resources needed for survival, adaptation and growth. Their policies and activities are constantly influenced by external factors related to the population they serve, patterns of prevailing diseases, public expectations, changes in the hospital system and healthcare system, and the broader socio-economic and political environment.

Growth in the hospital industry in Kenya will be supported by increasing expenditure on healthcare, within both public and private sectors. This expanded outlay within the public sector, coupled with rising private expenditure and greater levels of insurance coverage will further drive the growth of the medical services and pharmaceutical industries. Kenya has an extensive network of private healthcare facilities, from small local clinics, to large, high-class hospitals. Private healthcare can be quite good, with small but modern health facilities and well-trained medical staffs that meet international standards. There

are a number of private hospitals and medical clinics in Nairobi and Mombasa offering all medical services at international standards.

1.1.4 Public and Private Hospitals in Nairobi County

According to the Ministry of Health there are 58 hospitals in Nairobi County (appendix II). The 58 hospitals are categorized as public and government hospitals, private and mission hospitals and private hospitals. Healthcare institutions need timely patient information from various sources at the point-of-care, and need a comprehensive, complete and fully functional system to fulfill all these needs. One way to achieve this is through the use of HMIS in health care.

Health is a very precious thing in human life. Some hospitals have been highly recommended from their history and improved services throughout; and these are the most recommended ones around. We have both private and public hospitals in Kenya all serving more or less the same purpose. Unlike the Private Hospitals, the Public hospitals are less expensive; especially the National Public Hospitals which keeps all specialists at each related department and are quit useful to all and especially the locals, but could be hard to deal with due to the high patient demand and the cheer numbers which costs a lot of time before one actually gets attended to. With a well-implemented HMIS, the use of health system performance information will ensure that health services reflect the best policies and practices, in addition to community contexts and values. In Kenya and other developing countries the component of HMIS is weak and therefore there is often a lack of good quality data and inefficient utilization of resources (Ongalo, 2012).

1.2 Research Problem

Impediments to strategy implementation should be taken into account and the most reliable way to get the best information is to include the largest possible number of the organization's members into the discussion. This brings us to the third factor proposed by the authors, which tells us that the change process should develop a partnership among all relevant stakeholders (Drazin and Howard, 2002). The major problems present in strategy implementation are: the implementation taking more time than allocated, higher than anticipated implementation costs, unanticipated major problems surfacing during implementation such as change in the management, poor coordination, competing activities, lacking competencies, etc. in other words, a poor fit between human resources and the organizations structure and systems as well as poor vertical communication in both directions (Hambrick and Cannella, 2003).

Studies have been done on the challenges of strategy implementation. For instance, Arumonyang (2009), did a survey of strategy implementation challenges facing regional development authorities in Kenya, Patrick (2009), on challenges of strategy implementation at Kenya wildlife service, Njoki (2009), challenges of strategy implementation at oxfam great Britain-kenya, Martha (2010), challenges of strategy implementation at the ministry of road and public works in Kenya. Aosa (1992), on an empirical investigation of aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya and Awino (2002), purchasing and supply chain strategy: benefits, barriers and bridges - an independent conceptual study paper in strategic management, school of business.

No study has been done on the challenges of strategy implementation in public and private hospitals in Nairobi County. This study therefore seeks to fill in this gap by investigating the challenges to strategy implementation in public and private hospitals in Nairobi County and it will answer the question: what is the comparison of challenges to strategy implementation in public and private hospitals in Nairobi County?

1.3 Research Objective.

To determine the challenges of strategy implementation in public and private hospitals in Nairobi county.

1.4 Value of the Study

The findings of the study will not only be useful particularly to public and private hospitals in Nairobi County, it will also be useful to other managers in other sectors. It would help them understand the challenges of strategy implementation and how to overcome them, it helps different firms achieve success better than others.

The findings will also help in enlightening the key decision makers in public and private hospitals in Nairobi County in policies formulation and on how to successfully implement their strategies and how they could purpose to mitigate the challenges facing it. The study will in addition to the above, be useful to stakeholders, financiers, and investors in formulating and planning areas of intervention and support.

Finally, the study will provide additional knowledge to existing and future institutions on challenges to strategy implementation and provide information to potential and current scholars on strategic management in Kenya. This will expand their knowledge on strategy implementation and also identify areas of further study. The study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies. The study will also highlight other important relationships that require further research; this may be in the areas of relationships between successful strategy implementation and firm's performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the critical points of current knowledge including substantive findings, as well as theoretical and empirical contributions to challenges of strategy Implementation. It will capture in challenges of strategy implementation and measures to deal with strategy implementation challenges.

2.2 Theoretical Foundation of the Study

The study is based on two theories namely game theory and strategy theory. The two are discussed below:

The origins of game theory can be traced back to the study of war. The central idea is that the strategist has to anticipate the reactions of competitors. The assumption in the game theory is that to a greater or lesser extent competitors are aware of the interdependencies that exist and of the sorts of move that competitors could take. In assessing competitive forces and the context within which a company operates, choice of strategy can indeed seem like a search for a myriad of forces pushing and pulling an organization to change a little by way of established principles to determine what the choice should be. However, the choice of strategy is fundamental to a company for a number of reasons. First, choice made in a positive sense instills a focus and underlying direction for the organization. The development of a leadership style which focuses one's purpose on the future vision of services, rather than the accidents and designs of the past, provides powerful

motivation for individuals, teams and the ubiquitous managers themselves. Second, choice provides a basis for articulating the value systems in the organization. As Peters and Waterman (1999) say about vision and organizational behavior, "one all-purpose bit of advice for management" in the pursuit of excellence is "figure out your value system". Positive choice will help to articulate the value base in the organization and this should be palpable to individuals and the team working within it.

Strategy theory concerns the explanations of firm performance in a competitive environment (Porter, 1991). There are many strategy perspectives, and the strategy process perspective bases their views on "what competitive advantage is" and on "what it is based on". While both resource based view (RBV) and industrial organization (I/O) may be seen as content-based approaches (variance theories in Markus and Robey, 1988) to strategic management, the process-based view on strategy focuses on the processes through which strategy contents are created and managed over time. Challenges to strategy implementation provide a route to survival in some form in the future. Recent studies seem to indicate that organizations fail regularly because of a lack of effective strategic direction, the failure to concentrate on core business, and the lack of robust management systems and processes to deliver the core business and the values on which they are based. The fourth reason for importance of strategy choice is that it will affect inextricably the management process and systems by and with which the organization chooses to manage. Therefore, the effective choice of strategy, when considered in these circumstances, should become a central focus of company's boards (Peters and Waterman, 1999).

2.3 Strategy Implementation

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Alexander (1985), suggests several reasons for this: strategy implementation is less glamorous than strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Furthermore, there are only a limited number of conceptual models of strategy implementation. In the world of management, increasing numbers of senior people are recognizing that one of the key routes to improved business performance is better implementation (Renaissance Solutions Ltd, 1996). However, at the same time, it is also understood that implementation is one of the more difficult business challenges facing today's managers (Pfeeffer, 1996). Within this, management ability, or competence, is seen as an important contributor to achieving this aim (Boyatzis, 1982).

Implementing strategies successfully is about matching the planned and the realized strategies, which together aim at reaching the organizational vision. The components of strategy implementation (Robert, Waterman and Tom, 1982), organization competencies, capabilities, strengths; resources; strategy-supportive policies; best practice and continuous improvement; information and communication systems; rewards and incentives; environment/culture/strategy fit are not necessarily successive and they cannot be detached from one another. Okumus (2003), observe that "despite the importance of the strategic execution process, far more research has been carried out into strategy formulation rather than into strategy implementation", while Alexander

concludes that literature is dominated by a focus on long range planning and strategy "content" rather than the actual implementation of strategies, on which "little is written or researched" (Alexander, 1985). Reasons put forward for this apparent dearth of research effort include that the field of strategy implementation is considered to be less "glamorous" as a subject area, and that researchers often underestimate the difficulties involved in investigating such a topic especially as it is thought to be fundamentally lacking in conceptual models (Alexander, 1985).

2.4 Challenges of Strategy Implementation

According to Alexander (1985), the three most frequently occurring strategy implementation problems include underestimating the time needed for implementation and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact. There are three essential factors for successful strategy implementation. First of all, the change process should be systemic. This means that both the human and systemic aspects of the organization should fit with each other in the organization. This is a very important point. It is easy to imagine a situation in which severe motivation problems would arise in effect of a lack of interest in one of these aspects. The second factor is the condition that the change process should encourage the open discussion of barriers to effective strategy implementation and adaptation. All impediments to strategy should be taken into account and the most reliable way to get the best information is to include the largest possible number of the organization's members into the discussion.

Reed and Buckley (1988), discuss problems associated with strategy implementation identifying four key areas for discussion. They acknowledge the challenge and the need for a clear fit between strategy and structure and claim that the debate about which comes first is irrelevant providing there is congruence in the context of the operating environment. They warn that, although budgeting systems are a powerful tool for communication, they have limited use in the implementation of strategies as they are dominated by monetary based measures and due to their size and the game playing associated with budget setting "it is possible for the planning intent of any resource redistribution to be ignored" (Reed and Buckley, 1988). Another problem is when management style is not appropriate for the strategy being implemented, they cite the example of the "entrepreneurial risk taker may be an ideal candidate for a strategy involving growth, but may be wholly inappropriate for retrenchment" (Reed and Buckley, 1988).

2.4.1 Organization structure

Whilst the strategy should be chosen in a way that it fits the organization structure the process of matching structure to strategy is complex (Bryson, 2005). The structure that served the organization well at a certain size may no longer be appropriate for its new or planned size. The existing structure and processes in the organization support in different ways, there is likely to be problems should the existing structures be used to implement the changes (Meldrum and Atkinson, 1998). The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place.

According to McCarthy (1986), creating that structure for managers is the selection of the organization structure and controls that will implement the chosen strategies effectively.

Drazin and Howard (1984), states that proper strategy-structure alignment is a necessary precursor to the successful implementation of new business strategies. They point out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, it may exhibit poor performance and be at a serious competitive disadvantage. Schaap (2006), also suggests that adjusting organizational structure according to perfect strategy can ensure successful strategy implementation. Different strategy types have different requirements regarding an adequate organizational structure (White, 1986). White (1986), points out that the fit between business unit strategy and the internal organization of multi-business companies does have an effect on business unit performance.

2.4.2 Strategy formulation

It is clear that a poor or vague strategy can limit implementation efforts dramatically. Good execution cannot overcome the shortcomings of a bad strategy or a poor strategic planning effort (Hrebiniak, 2006). Alexander (1985), believes that the need to start with a formulated strategy that involves a good idea or concept is mentioned most often in helping promote successful implementation. As Allio notes, good implementation naturally starts with good strategic input: the soup is only as good as the ingredients (Allio, 2005). Whether a strategy itself is consistent and fitting or not is a key question for successful strategy implementation, but even a consistent strategy cannot be all

things to all people.

2.4.3 Communications Challenge

Forman and Argenti (2005), rightly note that, "although an entire discipline is devoted to the study of organizational strategy, including strategy implementation; little attention has been given to the links between communication and strategy." They also note that business communication researchers have become increasingly interested in the contribution of corporate communication to a company's ability to create and inseminate its strategy in the last decade. However, very few authors have investigated the link between corporate communication and strategy, and role performance in either of their samples. Their results highlight the complexity of the issue and have focused primarily been on how corporate communication affects the firm's relationship with its various stakeholders in strategy implementation. At least, numerous researchers have already emphasized the importance of communication in the process of strategy implementation (Alexander, 1985).

Peng and Litteljohn (2001), show that effective communication is a key requirement for effective strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. Communication barriers are reported more frequently than any other

type of barriers, such as organizational structure barriers, learning barriers, personnel management barriers, or cultural barriers.

Aaltonen and Ikavalko (2001), have stated that the amount of strategic communication in most organizations is large with both written and oral communication being used in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done in the field of communicating strategies. According to Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility and to motivate staff. Also they argue that communication should not be seen as a one-off activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.

2.4.4 Organizational Changes

Some of the barriers of strategy implementation as identified by Al-Ghamdi (1998), are competing activities that distract attention from implementing the decision; changes in responsibilities of key employees not clearly defined; key formulators of the strategic decision not playing active role in implementation; problem requiring top management involvement not communicated early enough; key implementation task and activities not sufficiently defined. Meldrum and Atkinson (1998), identified two problems of implementation: a flawed vision of what seems to be a strategic position within an organization and a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief.

Changes do not implement themselves and it is only people that make them happen (Bryson, 2005). Selecting people for the key positions by putting a strong management team with the right personal chemistry and mix of skills is one of the first strategy implementation steps (Thompson and Strickland, 2003). They point out that assembling a capable team is one of the cornerstones of the organization-building task. Strategy implementation must determine the kind of core management team they need to execute the strategy and then find the right people to fill each slot. Staffing issues can involve new people with skills (Hunger and Wheelen, 2005). Bryson (2005), observes that people's intellect, creativity, skills, experience and commitment are necessary towards effective implementation. However selecting able people for key positions remains a challenge to many organizations.

2.4.5 Coordination of Activities

A study by Okumus (2003), found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels and lack of or poor planning activities. Meldrum and Atkinson (1998), found out a number of implementation pitfalls such as isolation, lack of stakeholder commitment, strategic drift, strategic weakening, strategic separation, failure to understand progress, initiative fatigue, impatience, and not celebrating success. Sterling (2003), identified reasons why strategies fail as unanticipated market changes; lack of senior management support; effective competitor responses to strategy;

application of insufficient resources; timeliness and distinctiveness; lack of focus; and bad strategy/poorly conceived business models.

2.4.6 Resource Insufficiency

Resource insufficiency is another common strategy implementation challenge. This may be as a result of lack of resources which include financial and human or indivisibility of resources. Established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002).

Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows linking whatever task is at hand to the overall organizational direction (Byars, 1996). Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms.

2.4.7 Organizational Culture

Cultural impact under estimation is yet another challenge to strategy implementation. The implementation of a strategy often encounters rough going because of deep rooted

cultural biases. This causes resistance to implementation of new strategies especially in organizations with defensive cultures. This is because they see changes as threatening and tend to favor "continuity" and "security" (Wang, 2000). It is the strategy maker's responsibility to choose a strategy that is compatible with the "sacred" or unchangeable parts of prevailing corporate culture. Creating an organization's culture, which is fully harmonized with implementation plan, offers a strong challenge to the strategy implementation leadership abilities. Aosa (1992), observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation.

2.4.8 Commitment of Implementing Staff

Shared understanding without commitment may result in "counter effort" and negatively affect performance (Wooldridge and Floyd, 1989). Guth andMacMillan (1986), assert that the shared understanding of middle management and those at the operational level to the top may fail if the strategy does not enjoy support and commitment by the majority of employees and middle management. This may be the case if they were not consulted during the development phase (Heracleous, 2000). Involvement and commitment should also be developed and maintained throughout the implementation process. If middle and lower level managers and key subordinates are permitted to be involved with the detailed implementation planning, their commitment is likely to increase.

Floyd and Wooldridge (1992), label the gulf between strategies conceived by top

management and awareness at lower levels as "implementation gap". They define strategic consensus as the agreement among top, middle-, and operating-level managers on the fundamental priorities of the organization. Consensus, in their approach, has four levels: strong consensus, blind devotion, informed skepticism and weak consensus. Floyd and Wooldridge argue that strong consensus exist when managers have both, a common understanding of, and a common commitment to their strategy.

2.5 Measures to Deal With Strategy Implementation Challenges

The strategy implementation process normally requires much more energy and time than the mere formulation of the strategy. A creative chaos can be advantageous for the formulation phase whereas the more administrative strategy implementation phase demands discipline, planning, motivation and controlling processes (Alexander, 1985).

The second most important thing to understand is that strategy implementation is not a top-down-approach. The success of any implementation effort depends on the level of involvement of middle managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Tavakoli and Perks, 2001).

Communication aspects should be emphasized in the implementation. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components. Strategy implementation requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary-less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure (Aaltonen and Ikavalko, 2001).

Teamwork plays an important role within the process of strategy implementation. When it comes down to implementation activities, however, it is often forgotten. It is indisputable, that teams can play an important part to promote the implementation (Drazin and Howard, 1984). To build up effective teams within strategy implementation the Myers-Briggs typology can be useful to ascertain person-to-person differences. Differences in personality can result in serious inconsistencies in how strategies are understood and acted on.

To facilitate the implementation in general, implementation instruments should be applied to support the processes adequately. Two implementation instruments are the

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balanced scorecard and supportive software solutions. The balanced scorecard is a popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company's strategic objectives into a coherent set of performance measures (Kaplan and Norton, 1993). When it comes to meeting the criteria of a strategy implementation instrument, there is an excellent fit. The individual character of each balanced scorecard assures that the company's strategic objectives are linked to adequate operative measures. As a consequence, it provides even more than a controlling instrument for the implementation process. It is a comprehensive management system, which can support the steering of the implementation process.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focused on, research design, population, sampling design, data collection, and data analysis.

3.2 Research Design

The study used descriptive cross-sectional survey. Singleton (1988), describes a descriptive cross-sectional survey as a comprehensive design that enables large and diverse amounts of data to be collected within a short time frame and analysed quantitatively, giving a credible presentation of results.

It was efficient to use a descriptive cross-sectional survey since it employed diverse methods like questionnaires, interviews and reference documents which ensure proper arrangement of conditions for collection and analysis of data in a manner that aims at combining relevance to the research purposes with economy in procedure (Singleton, et al, 1988).

3.3 Population of the Study

According to Cooper and Schindler, (2000), population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions.

The target population of this study consisted of 58 Public and Private Hospitals in Nairobi County According to the Ministry of Health 2013

3.4 Sample Size and Selection

Sampling means selecting a given number of subjects from a defined population as representative of that population. Any statements made about the sample should also be true of the population (Orodho, 2002). Stratified random sampling is a procedure that is used to reduce chance variation between a sample and the population it represents (Cooper and Schindler, 2000). It is also considered as a fair way of selecting a sample from a given population since every member is given equal opportunities of being selected. A 50% sample was picked using stratified random for both public and private hospital in Nairobi

3.5 Data Collection

The study used primary data collected through a structured questionnaire divided into two sections: Section one focused on the general background of the respondents while section two focused on challenges of strategy implementation and measures to deal with strategy implementation challenges.

Since the respondents included top management staff in public and private hospitals in Nairobi, the respondents were expected to give an insight into some of the strategy implementation and their challenges. The questionnaire was administered through drop and pick.

3.6 Data Analysis

Data analysis is the process of bringing order, structure and meaning to the mass of information collected. It involves examining what has been collected and making deductions and inferences (Kombo and Tromp, 2006). Data cleaning (editing) will be carried out to ensure that the data is free from inconsistencies and any incompleteness (Cooper and Schindler, 2000).

This study employed descriptive statistics to analyze the data obtained. According to Breakwell (2006), descriptive research design is commonly represented by use of frequency charts, graphs, and pie charts to tabulate the information gathered appropriately. Statistical Package for Social Sciences (SPSS) was used to analyze the data. This package is known for its efficiency and ability to handle large amounts of data.

CHAPTER FOUR

DATA ANAYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter provides an analysis of data collected from the field. The results have been presented in tables, figures and content delivery to highlight the major findings. They are also presented sequentially according to the research questions of the study. Mean scores and standard deviations analyses have been used to analyze the data collected. The raw data was coded, evaluated and tabulated to depict clearly the challenges of strategy implementation in public and private hospitals in Nairobi County.

Data was collected from senior employees of the selected hospitals. These senior employees included medical officers of health in charge of the day to day running of the hospitals, Directors of Clinical Services and Directors of Administrative services. The management team was also selected since they are involved in proper execution of policies and effective management. 65 questionnaires were distributed and 60 were collected fully completed. This constituted a response rate of 92.3%. According to Mugenda and Mugenda, (1999), a response rate of more than 80% is sufficient enough for a study.

4.2 Demographic Characteristics of the Respondents

The study sought to establish the information on the respondents employed in the study with regards to the terms of employment, length of working in their present capacity and

how long they had stayed in the organization. These bio data points at the respondents'
appropriateness in answering the study questions

4.2.1 Terms of Employment

The respondents were asked to indicate their terms of employment. All the respondents
who were interviewed were employed on permanent basis since the posts for senior level
management are given to people with experience and are experts in their areas and
therefore they were employed on permanent basis. This was an indication that the
respondents were in a position to respond effectively and efficiently on the challenges of
strategy implementation in public and private hospitals in Nairobi County.

4.2.2 Length of Service in Present Position

The respondents were asked to indicate the number of years they had worked in their
present position. Figure 4.1 below show the results of the study.

Figure 4.1: Length of service in Present Position
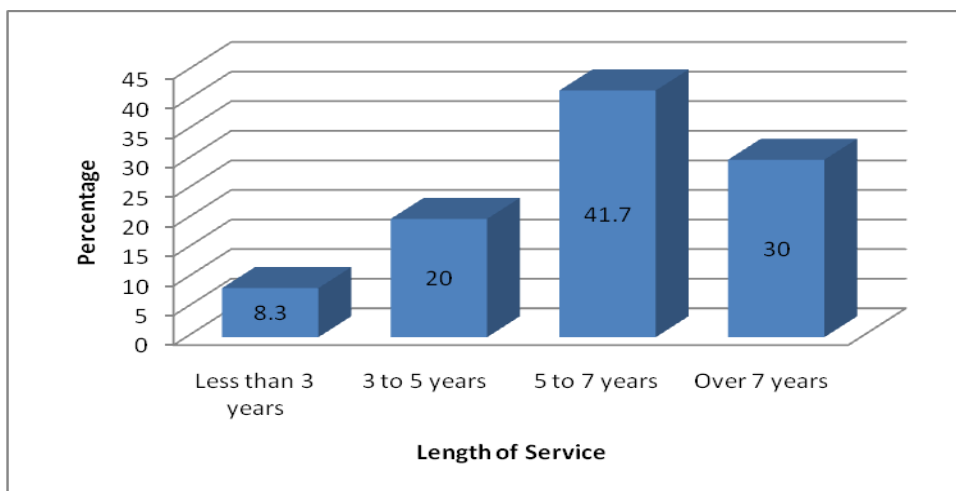
Source; Researcher (2013)

Figure 4.1 presents the findings on length of service of the respondents in their current position. From the figure above, results show that majority of the respondents (41.7%) had worked for 5 to 7 years in their present capacity. This was followed by 30% who indicated that they had worked for over 7 years in their present capacity. 20% had worked for 3 to 5 years while only 8.3% had worked for less than 3 years in their present capacity.

4.2.3 Number of Years Worked in the Organization

The respondents were asked to indicate the number of years they had worked in the organization. The figure below shows the results.

Figure 4.2: Number of years worked in the organization
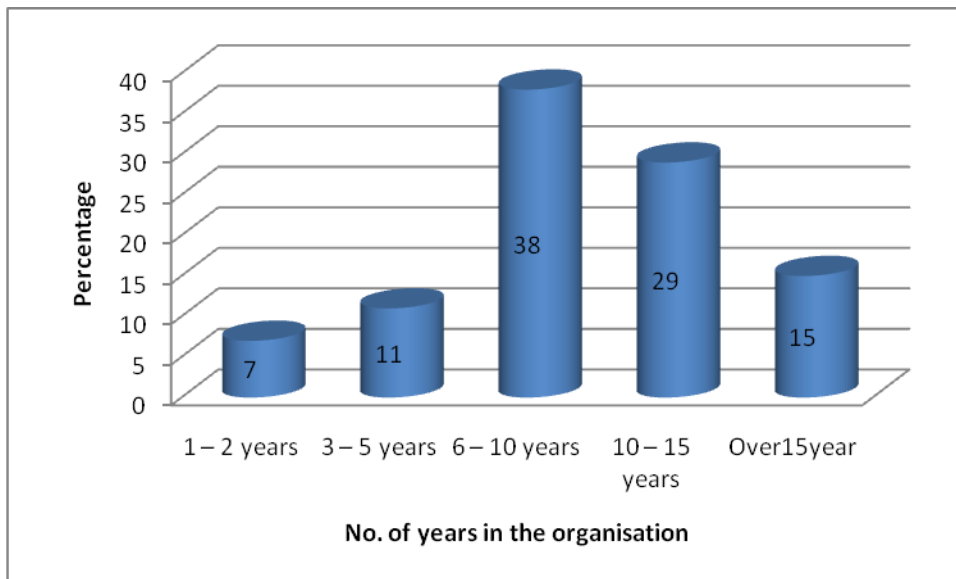
Source; Researcher (2013)

The results as shown in figure 4.2 above indicate that majority (38%) of the respondents had worked for 6 to 10 years, this was followed by 29% of the respondents who had

worked for 10 to 15 years, 15% had worked for over 15 years, 11% had worked for 3 to 5 years while 7% had worked for 1to 2 years.

4.3 Findings of the study

4.3.1 How Organization Structure Affect Strategy Implementation

The respondents were asked to indicate how organizational structure affects strategy implementation; the results are shown in the figure below.

Figure 4.3: How Organization Structure Affect Strategy Implementation
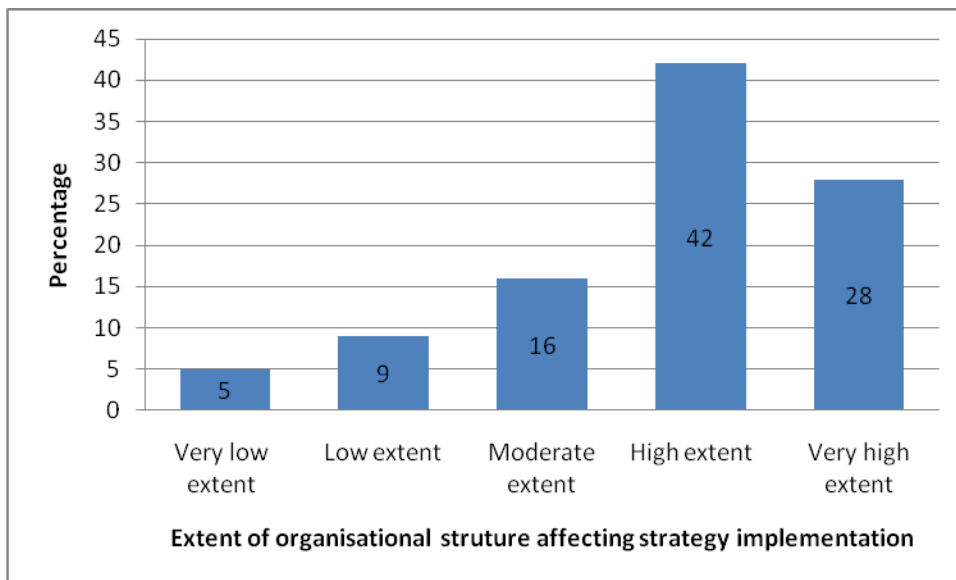
Source; Researcher (2013)

The results show that majority 42%, of the respondents indicated that organizational structure affects strategy implementation to a high extent, 28% indicated it affects to a very high extent, 16% indicated to a moderate extent 9% indicated to a low extent while 5% indicated to a very low extent.

4.3.1.1 Organization Structure Factors

The respondents were asked to rate how the following factors employed in their organization affects strategy implementation. The table below shows the results.

Table 4.1: Factors employed in your organization

Description	N	Mean	Standard deviation
Structure is matched to the strategy	60	2.4029	0.6653
Size of structure is adequate to cover all strategies	60	2.2658	0.8688
Existing structure is used to implement changes	60	2.0517	0.7541
The current structures may as well distort and dilute the intended strategy	60	3.8154	0.6857
Tasks are divided efficiently and they are clear	60	3.1357	0.6648
Structures are well coordinated	60	3.2341	0.8765
Decisions on how to coordinate activities, relationships are clear.	60	3.0987	0.3452

Source; Researcher (2013)

The descriptive results shown in the table above show that majority of the respondents agreed to a high extent m=3.8154 that the current structures may as well distort and dilute the intended strategy. The respondents agreed to a moderate extent that structures are well coordinated m=3.2341, tasks are divided efficiently and they are clear 3.1357,

decisions on how to coordinate activities, relationships are clear m=3.0987. The respondents agreed to a low extent that their structure is matched to the strategy m=2.4029, Size of structure is adequate to cover all strategies m=2.2658 and existing structure is used to implement changes m=2.0517.

4.3.1.2 Opinion on how the structures affect the strategy implementation

Structures may distort and dilute the intended strategy to the point where no discernible change takes place. If a firm lags in making realignment of their structure, it may exhibit poor performance and be at a serious competitive disadvantage. If an organization changes its strategy, it must change its structure to support the new strategy. When it doesn't, the structure acts like a bungee cord and pulls the organization back to its old strategy. Strategy follows structure. What the organization does defines the strategy. Changing strategy means changing what everyone in the organization does. When an organization changes its structure and not its strategy, the strategy will change to fit the new structure. Strategy follows structure. Suddenly management realizes the organization's strategy has shifted in an undesirable way. It appears to have done it on its own. In reality, an organization's structure is a powerful force. You can't direct it to do something for any length of time unless the structure is capable of supporting that strategy.

4.3.1.3 How structures can be improved to ensure it does not affect the strategy implementation

Strategy implementation should be effectively coordinated since it is the coordination of goals and tasks, resources and control that enables an effective strategy implementation.

When a company makes major changes, it must carefully think out every aspect of the structure required to support the strategy. That is the only way to implement lasting improvements. Every part of an organization, every person working for that organization needs to be focused on supporting the vision and direction. How everything is done and everything operates needs to be integrated so that all the effort and resources support the strategy.

It takes the right structure for a strategy to succeed. Management that is solely focused on results can have a tendency to direct everyone on what they need to do without paying attention to the current way the organization works. While people may carry out these actions individually, it is only when their daily way of working is integrated to support strategy that the organization's direction is sustainable over time.

Strategy and structure are married to each other. A decision to change one requires an all-out effort to change the other. But that structural change must be well thought out and based on a thorough cause and effect analysis. You don't just change a structure to change it. You have to make sure the changes will support that strategy. At the same time, you don't just implement a better leadership and engagement approach in a company or alter the organizational chart without evaluating how that is going to affect the firm's ability to carry out its current strategies.

4.3.2 Strategy formulation

4.3.2.1 Strategy formulation affect strategy implementation

The respondents were asked to indicate the extent to which strategy formulation affect strategy implementation. The results are shown in the figure below.

Figure 4.4:Strategy formulation affect strategy implementation
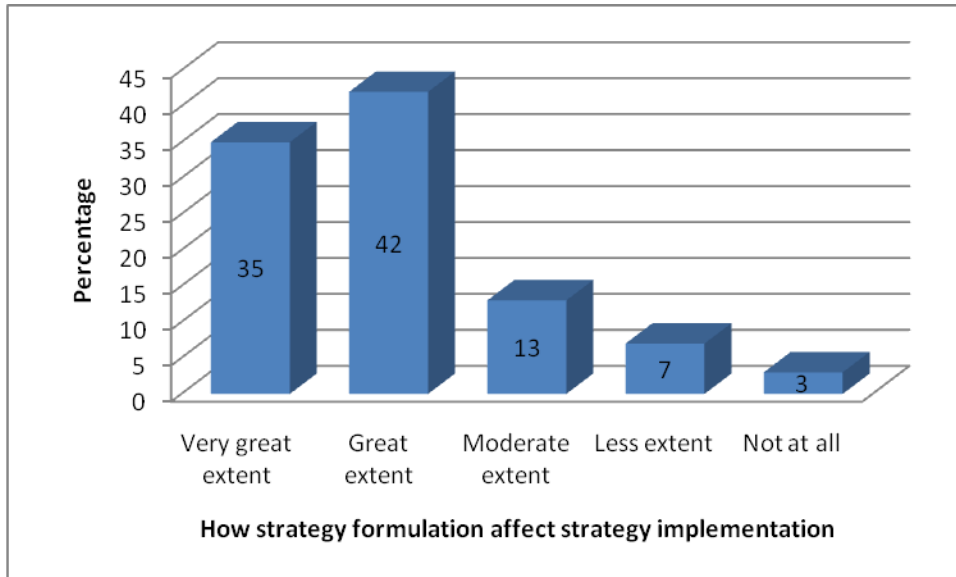
Source; Researcher (2013)

The results indicate that majority 42% of the respondents indicated strategy formulation affect strategy implementation to a great extent , 35% indicated that strategy formulation affect strategy implementation to a very great extent, 13% indicted to a moderate extent, 7% indicated to a less extent while 3% indicated it didn't affect at all.

4..3.2.2 Factors on Strategy Formulation affecting strategy implementation

The respondents were asked to rate how the following factors on strategy formulation affect strategy implementation.

Table 4.2: Factors on Strategy Formulation affecting strategy implementation.

Description	N	Mean	Standard deviation
There is proper updating of organization's information	60	2.1544	0.7548
The organization ensures proper reachable Strategy formulation for all staffs	60	2.2651	0.3271
There is efficient measuring and controlling of quantity and quality of information	60	2.3257	0.4567
The organization enhances Strategy formulation of direct relationship with customer	60	2.1779	0.8655
Strategy formulation enables development of strategies	60	4.2341	0.4532

Source; Researcher (2013)

The results indicate that majority of the respondents agreed that Strategy formulation enables development of strategies m=4.2341. The respondents disagreed on the factors that there is efficient measuring and controlling of quantity and quality of information m=2.3257, the organization ensures proper reachable Strategy formulation for all staffs m=2.2651, the organization enhances Strategy formulation of direct relationship with customer m=2.1779 and there is proper updating of organization's information m=2.1544.

4.3.3 Communications Challenge

4.3.3.1 Communication as key success factor within strategy implementation

The respondents were asked to indicate whether communication was a key success factor in strategy implementation.

Figure 4.5: Communication as key success factor in strategy implementation
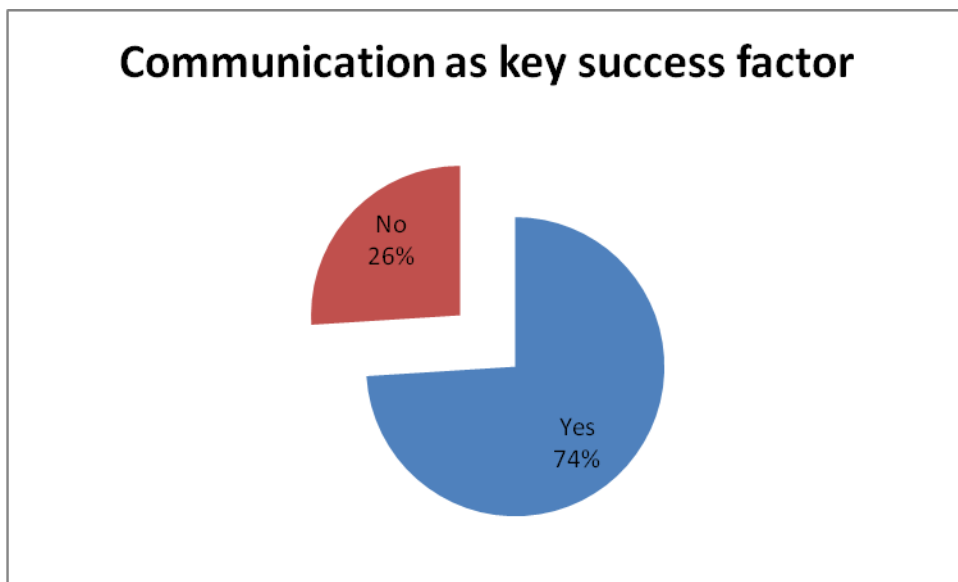
Source; Researcher (2013)

The results show that majority 74% of the respondents indicated that communication was a key success factor in strategy implementation. 26% indicted that communication was not a key success factor in strategy implementation.

4.3.3.2 Extent to which communication process affect strategy implementation

The respondents were asked to indicate the extent to which communication process affect strategy implementation. The results are shown in figure below.

Figure 4.6: Extent to which communication process affect strategy implementation
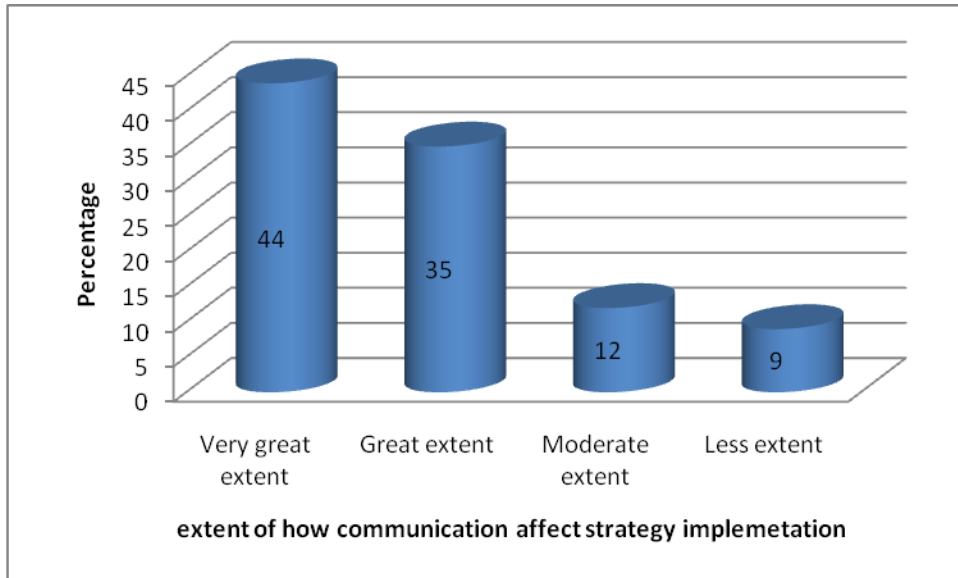
Source; Researcher (2013)

The results show that majority 44% of the respondents agreed to a very great extent, 35% indicated that communication affected strategy implementation to a great extent 35%, another 12% indicated that communication affected strategy implementation to a moderate extent while 9% indicated communication affected strategy implementation to less extent.

4.3.3.3 Factors on communication

The respondents were asked to rate how the following factors on communication affect strategy implementation

Table 3: Factors on communication

Description	N	Mean	Standard deviation
Communicating with employees is frequently delayed until changes have already crystallized	60	3.0524	0.8651
The organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy	60	4.0625	0.3265
Lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees	60	4.4741	0.5554
It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion	60	4.3873	0.4124
An integrated communications plan must be developed at the organization to enhance strategy implementation	60	4.3651	0.8647

Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation	60	4.5637	0.5463
Communication relates in a complex way to organizing processes, organizational context and implementation objectives.	60	3.7562	0.3342

Source; Researcher (2013)

The results above indicate that majority of the respondents agreed to a very great extent that Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation m=4.5637, the respondents agreed to a great extent that Lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees m= 4.4741, It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion m= 4.3873, An integrated communications plan must be developed at the organization to enhance strategy implementation m=4.3651, The organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy m=4.0625, Communication relates in a complex way to organizing processes,

organizational context and implementation objectives m=3.7562. the respondents agreed to a moderate extent that Communicating with employees is frequently delayed until changes have already crystallized m=3.0524.

4.3.3.4 Problems brought about by communication barriers

Communication planning is one of the most neglected areas of strategic planning. Most companies spend a great deal of money and effort on their external communication plan but fail to expend any energy toward creating an organized plan for communication

The ability to effectively communicate with customers, vendors, and employees is imperative to providing greater customer satisfaction and improving business productivity. How well information is communicated both externally to customers and vendors and internally to employees is vital to long-term business success

One problem for many modern organizations is that change is not always communicated effectively. Ineffective communication during organizational change is reported to negatively impact the way an organization functions. For example, ineffective change communication can lead to resistance to the change, rumors, and promote exaggeration of the negative aspects associated with the change as well as to act as an overall negative influence on corporate culture.

4.3.3.5 Ways to Solve communication challenges

Managers cannot implement strategy on their own, majority of employees do not understand their organization's strategy. A business has no chance of success if employees don't know and understand the strategy, and little chance of success if they do not embrace it. Strategy has to be taken from the boardroom to the backrooms and frontlines of daily operations and customer service. Every employee is capable of finding improved ways of doing business that will contribute to achieving strategic objectives.

Thus, communication and involvement are the cornerstones to making strategy everyone's everyday job. Management and all employees must be enabled to openly review, comment, feedback, keep updated on progress and obtain clarity on questions as they arise on every aspect of strategy delineation and execution.

When an organization is communicating strategy, it is communicating change. The key for communicating strategy is to be able to align the extent and scope of the change and the approaches of implementation with the values and principles outlined in the related policy document.

When creating the communication plan, an organization needs to set measurable objectives; engage management in the initiative and secure their support; and develop a plan for building employee awareness of the importance of the new internal communication strategy. Encouraging the best flow of information will require thoughtful consideration, analysis, planning, and continuous monitoring and

measurement. Although the effort of developing and implementing the internal communication plan is extensive, the benefits will include better-directed, more committed, and highly efficient employees.

4.3.4 Resource Insufficiency

4.3.4.1 Factors on Resource Insufficiency

The respondents were asked to rate how the following factors on Resource Insufficiency affect strategy implementation.

Table 4.4: Factors on Resource Insufficiency

Description	N	Mean	Standard deviation
There are difficulties in finding sufficient, appropriate and continuous funding for their work	60	3.4233	0.8101
They have limited resource mobilization skills and rely on international donors only.	60	3.3215	0.3261
There is a lack of financial, project and organizational sustainability.	60	4.1572	0.9517
Lack of funds limits the quantity and or quality of the important work they do.	60	4.2658	0.5628
They face rising costs for staff and other program inputs, further straining their limited budgets	60	4.0325	0.9654

The organization faces an increasingly competitive and restrictive environment for obtaining funds through grants and donations	60	4.2053	0.4325

Source; Researcher (2013)

The results show that majority of the respondents agreed to a great extent that Lack of funds limits the quantity and or quality of the important work they do m=4.2658 , The organization faces an increasingly competitive and restrictive environment for obtaining funds through grants and donations m=4.2053, There is a lack of financial, project and organizational sustainability m=4.1572, They face rising costs for staff and other program inputs, further straining their limited budgets m=4.0325.the respondents agreed to a moderate extent that There are difficulties in finding sufficient, appropriate and continuous funding for their work m= 3.4233 and They have limited resource mobilization skills and rely on international donors only m=3.3215.

4.3.4.2 Managing the resource insufficiency problem

The respondents indicated that in recent years, hospitals have been redesigning their finance functions to recognize the changes that have been occurring in the health services industry. Historically, the practice of finance had been driven by the Medicare program, which demanded that providers (primarily hospitals) churn out a multitude of reports to comply with regulations and maximize Medicare revenues. Third-party reimbursement complexities meant that a large amount of time had to be spent on cumbersome accounting, billing, and collection procedures. Thus, instead of focusing on value-adding activities, most finance work focused on bureaucratic functions. Today, to be of

maximum value to the enterprise, the finance function must support cost-containment efforts, managed care and other payer contract negotiations, joint venture decisions, and integrated delivery system participation. Finance must help lead organizations into the future rather than merely record what has happened in the past.

Managers must understand a multitude of functions, such as marketing, accounting, and human resource management, in addition to financial management. Still, all business decisions have financial implications, so all managers whether in operations, marketing, personnel, or facilities must know enough about financial management to incorporate financial implications in decisions about their own specialized areas.

Whether investor owned or not for profit, health services organizations can be structured in an almost unlimited number of ways. At the most basic level, a healthcare provider can be a single entity with one operating unit. In this situation, all of the financial management decisions for the organization are made by a single set of managers. Alternatively, corporations can be set up with separate operating divisions or as holding companies with wholly or partially owned subsidiary corporations in which different management layers have different financial management responsibilities.

4.3.5 Organizational Culture

4.3.5.1 Factors on Organizational Culture

The respondents were asked to rate how the following factors on Organizational Culture affect strategy implementation.

Table 4.5:Factors on Organizational Culture

Description	N	Mean	Standard deviation
The implementation of a strategy often encounters rough going because of deep rooted cultural biases	60	4.3332	0.8976
Organizations face resistance to implementation of new strategies especially in organizations with defensive cultures	60	4.3248	0.7654
Creating an organization's culture, which is fully harmonized with implementation plan, offers a strong challenge to the strategy implementation leadership abilities	60	4.4327	0.5432
Culture facilitates organizational decision making and control	60	4.4532	0.8765
Stable culture can generate higher levels of cooperation and commitment in the organization	60	4.2567	0.7654

Source; Researcher (2013)

The results show that the respondents agreed to a great extent that Creating an organization's culture, which is fully harmonized with implementation plan, offers a strong challenge to the strategy implementation leadership abilities m=4.4327, Culture facilitates organizational decision making and control m=4.4532, The implementation of a strategy often encounters rough going because of deep rooted cultural biases m=

4.3332, Organizations face resistance to implementation of new strategies especially in organizations with defensive cultures m= 4.3248 and Stable culture can generate higher levels of cooperation and commitment in the organization m= 4.2567.

4.3.5.2 Other ways in which culture affect strategy implementation

Organizational culture is so impacting it can result in the success or failure of a company. A strong organizational culture is one of the most sustainable competitive advantages a company can have because it is difficult to copy. Culture is simply a collection of shared norms or values within a workplace, or what is generally referred to as a company's way of doing things. Fun, family-friendly, positive, negative, upbeat, demoralizing and stressful are some common adjectives used in describing work cultures. Some of these have positive influences in production and performance, while others are symptomatic or contribute to organizational problems.

Because organizational cultures are unique and offer strategic advantages, it makes complete sense that companies would consider culture in strategic management. Consider a high-performing company that has a corporate strategy of providing a fun and friendly customer-centered environment. This would not align well with a stagnant culture or one with very traditional and stoic employees. Instead, it is necessary for the company to hire fun, friendly and customer-oriented workers and provide an environment that is fun and rewards great customer-friendly behavior.

Another way of looking at strategic management that supports the influence of culture is its balance between external and internal strategic elements. Generally, strategy

management aids in carrying out corporate missions and visions. Missions and visions state the company's purpose and values. They are intended to offer direction for the company as it interacts with the marketplace, but they also typically connect to internal strategies and culture. For instance, a company that markets itself as a green-friendly organization to get business would likely also promote environmental responsibility internally and make it part of the organizational culture.

4.3.6 Commitment of Implementing Staff

4.3.6.1 Extent of how commitment affects strategy implementation

The respondents were asked to indicate the extent to which commitment of implementing staff affect strategy implementation. The results are shown in the figure below.

Figure 4.7: Extent of how commitment affects strategy implementation
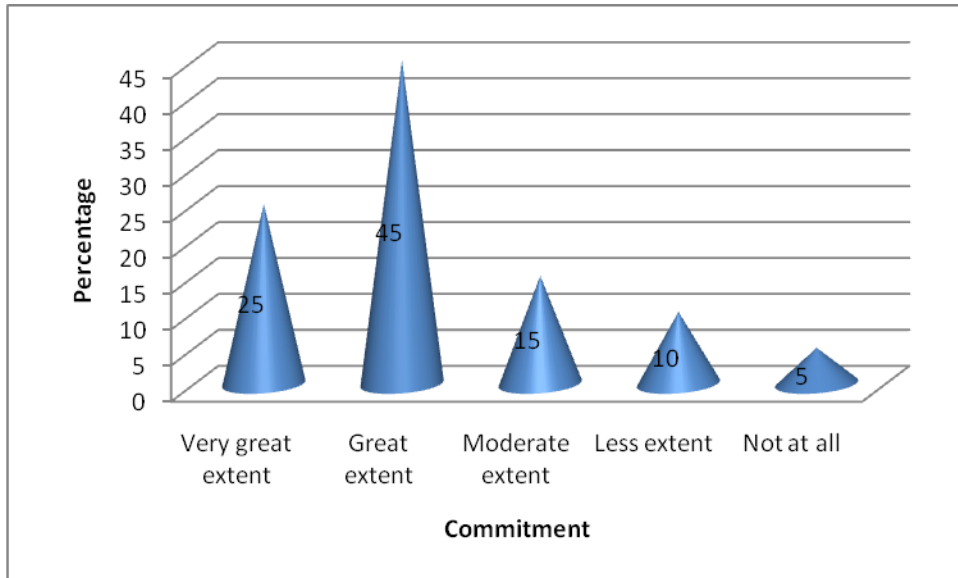
Source; Researcher (2013)

The results shows that majority of the respondents agreed to a great extent that commitment affected strategy implementation. 25% indicated a very great extent, 15% indicated a moderate extent, 10% indicated a less extent while 5% indicated it did not affect at all.

4.3.6.2 Factors on Commitment

The respondents were asked to rate how the following factors on factors on commitment affect strategy implementation

Table 4.6: Factors on Commitment

Description	N	Mean	Standard deviation
The top management's commitment to the strategic direction itself is the most important factor.	60	4.5301	0.7209
The top managers must demonstrate their willingness to give energy and loyalty to the implementation	60	4.2673	0.3203
The managers must not spare any effort to persuade the employees of their ideas for strategy	60	4.0972	0.8734
Lack of top management backing is the main inhibiting factors	60	3.8654	0.2345
Lack of manager's commitment to performing their roles leads to the lower ranks of employees missing support and guidance through encouragement of entrepreneurial attributes.	60	4.0162	0.6206

Source; Researcher (2013)

The results show that majority of the respondents indicated that they agreed to a very great extent that the top management's commitment to the strategic direction itself is the most important factor m=4.5301. the respondents agreed to a great extent that The top managers must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed m=4.2673, The managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective m=4.0972, Lack of manager's commitment to performing their roles leads to the lower

ranks of employees missing support and guidance through encouragement of entrepreneurial attributes m= 4.0162 and lack of top management backing is the main inhibiting factors m=3.8654.

4.3.7 Human resources

4.3.7.1 Factors on Human resources

The respondents were asked to rate how the following factors on human resource affect strategy implementation

Table 4.7: Factors on Human resources

Description	N	Mean	Standard deviation
Effectiveness of strategy implementation is geared by the quality of people involved in the process	60	4.5246	0.8872
strategy implementation success depends crucially on the human or people side of project management	60	4.4321	0.5433
Higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success	60	4.0765	0.4465
The board is one of the key subjects of strategy implementation and they should discuss how to assess board effectiveness in guiding strategy execution	60	4.6702	0.9787

Process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies.	60	4.4327	0.8765

Source; Researcher (2013)

The results show that majority of the respondents agreed to a very great extent that the board is one of the key subjects of strategy implementation and they should discuss how to assess board effectiveness in guiding strategy execution m= 4.6702, effectiveness of strategy implementation is geared by the quality of people involved in the process m=4.5246. The respondents agreed to a great extent that strategy implementation success depends crucially on the human or people side of project management m=4.4321, process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies m=4.4327 and higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success m=4.0765.

4.3.7.2 Barriers in human resource while implementing the strategy

The human resource barriers that were identified by the respondent include; inadequate assessment of the environmental and cultural factors that affect the consent of the strategies; failure to understand the strategic needs of the business, with the result that human resource strategic initiatives are seen as irrelevant, even counter-productive. Failure to take into account the need to have established supporting processes for the

initiatives (for example, performance management to support performance pay), inability to persuade top management to actively support the initiative; inability to gain the understanding and acceptance of employees; failure to monitor and evaluate the implementation of the strategy and to take swift remedial action if things are not going according to plan. Failure to ensure that the resources (finance, people and time) required to implement the initiative will be available in this case human resource support is very essential; failure to recognize that the initiative will take new demands on the commitment and skills of the line managers who may have to play a major part in implementation.

4.4 Discussion of the study

The discussion of the study is divided into the following two sections

4.4.1 Link to Theory

The origins of game theory can be traced back to the study of war. The central idea is that the strategist has to anticipate the reactions of competitors. The assumption in the game theory is that to a greater or lesser extent competitors are aware of the interdependencies that exist and of the sorts of move that competitors could take. In assessing competitive forces and the context within which a company operates, choice of strategy can indeed seem like a search for a myriad of forces pushing and pulling an organization to change a little by way of established principles to determine what the choice should be. The study established that public and private hospitals have been able to come up with their own strategies which are implemented and used to get their results. Competition is high in the sector and they have to give quality services to ensure that they stay in operation.

Strategy theory concerns the explanations of firm performance in a competitive environment (Porter, 1991). There are many strategy perspectives, and the strategy process perspective bases their views on "what competitive advantage is" and on "what it is based on". While both resource based view (RBV) and industrial organization (I/O) may be seen as content-based approaches (variance theories in Markus and Robey, 1988) to strategic management, the process-based view on strategy focuses on the processes through which strategy contents are created and managed over time. The hospitals are increasingly expected by governments, funders and patients to introduce quality control systems and outcome improvement strategies. Many health care managers and practitioners also believe that action should be taken, but are unsure of how to proceed, especially within resource constraints. There are many approaches to improve quality and safety, and diverse strategies to encourage hospitals to do so.

4.4.2 Link to Other Studies

The success or failure of strategies is linked, to a great measure, to how they are implemented (Stalk and Lachenauer, 2004). Poor implementation can make sound strategic decisions ineffective, while successful implementation can make a doubtful strategic choice successful (Mintzberg, Quinn, and Ghoshal, 2003). However, implementation of strategy exhibits its own resistance which can invalidate the planning effort. The hospitals face challenges that could easily affect their business. These challenges include how their structures are organised, challenges in communication, resource insufficiency and organisational culture. Poor health service quality wastes resources that could be used to treat more patients and the public is becoming more

critical of the quality of hospital care Ensuring safety for patients and personnel and improving quality are national objectives for health systems

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusions and recommendations.

5.2 Summary of findings

Organizational structure affects strategy implementation to a high extent. My study on strategy implementation in public and private hospitals show that the majority of the hospitals have organization structures in place though the current structures may as well distort and dilute the intended strategy; even though structures are well coordinated, tasks are divided efficiently and they are clear. Also the decisions on how to coordinate activities, relationships are clear. Most of the structures have not been matched to the strategy in place and size of structure is not adequate to cover all strategies.

Structures may distort and dilute the intended strategy to the point where no discernible change takes place. If a firm lags in making realignment of their structure, it may exhibit poor performance and be at a serious competitive disadvantage. If an organization changes its strategy, it must change its structure to support the new strategy. When it doesn't, the structure acts like a bungee cord and pulls the organization back to its old strategy. Strategy follows structure. What the organization does defines the strategy. Changing strategy means changing what everyone in the organization does. When an organization changes its structure and not its strategy, the strategy will change to fit the new structure.

Strategy formulation affects the strategy implementation. It was seen that Strategy formulation enables development of strategies though the organizations lack efficient measuring and controlling of quantity and quality of information, the organizations do not ensure proper reachable strategy formulation for all staffs. The organizations do not enhance strategy formulation of direct relationship with customer and there lacks proper updating of organization's information.

Communications was seen as a key success factor in strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. The organizations are faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. Lack of communication causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees. It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion.

The ability to effectively communicate with customers, vendors, and employees is imperative to providing greater customer satisfaction and improving business productivity. How well information is communicated both externally to customers and vendors and internally to employees is vital to long-term business success.

One problem for many modern organizations is that change is not always communicated effectively. Ineffective communication during organizational change is reported to

negatively impact the way an organization functions. For example, ineffective change communication can lead to resistance to the change, rumors, and promote exaggeration of the negative aspects associated with the change as well as act as an overall negative influence on corporate culture

On resource insufficiency lack of funds limits the quantity and or quality of the important work they do. The organization faces an increasingly competitive and restrictive environment for obtaining funds through grants and donations, there is a lack of financial, project and organizational sustainability, they face rising costs for staff and other program inputs, further straining their limited budgets. The organizations finding difficulties in finding sufficient, appropriate and continuous funding for their work and they normally have limited resource mobilization skills and rely on international donors.

Creating an organization's culture, which is fully harmonized with implementation plan, offers a strong challenge to the strategy implementation leadership abilities. Culture facilitates organizational decision making and control. The implementation of a strategy often encounters rough going because of deep rooted cultural biased. Organizations face resistance to implementation of new strategies especially in organizations with defensive cultures and stable culture can generate higher levels of cooperation and commitment in the organization.

The top management's commitment to the strategic direction itself is the most important factor. The top managers must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed. The managers must not spare any effort to persuade the employees of their ideas for strategy implementation to be effective, Lack of manager's commitment to performing their roles leads to the lower ranks of employees

missing support and guidance through encouragement of entrepreneurial attributes and lack of top management backing is the main inhibiting factors.

The board is one of the key subjects of strategy implementation and they should discuss how to assess board effectiveness in guiding strategy execution. Effectiveness of strategy implementation is geared by the quality of people involved in the process. Strategy implementation success depends crucially on the human or people side of project management. Process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies and higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success.

5.3 Conclusion

The basis of strategy implementation is the coordination of goals and tasks, resources and control. The next concern is formed by the organization's *systems*, the budgeting being one of the most important concerns. Structure and system interconnect in many cases since both are wide and abstract concepts that nominate the rule-like, human-independent aspects of organizational life. Goal setting is a systemic practice very often associated with strategy in many real-life organizations. Goal setting is closely associated with management by objectives. Different situations call for different strategies. The organizational context: its internal and external environment may affect the content and the process of strategy.

5.4 Recommendation for policy and practice

Strategy implementation should be effectively coordinated since it is the coordination of goals and tasks, resources and control that enables an effective strategy implementation. When a company makes major changes, it must carefully think out every aspect of the structure required to support the strategy. That is the only way to implement lasting improvements. Every part of an organization, every person working for that organization needs to be focused on supporting the vision and direction. How everything is done and everything operates needs to be integrated so all the effort and resources support the strategy.

Reviewing hospital regulatory requirements. Policymakers could review hospital regulatory framework to identify where various requirements may be in opposition to each other, necessitating significant resources by the hospital to address and respond. These resources could be applied to other uses, including development of new programs

5.5 Limitations of study

Due to tight schedules of the top management in public and private hospital, the study encountered difficulties in gaining access to the respondents and the researcher had to keep rescheduling their time to align with the availability of the respondents.

Information relating to strategy implementation is always treated with sensitivity. This caused difficulties in convincing the respondents of the importance of giving sincere answers to the asked questions evidenced through reluctance of accepting invitation to participate in the study. To counter the challenge, the research had to inform the respondents in advance the purpose for the research study being carried out, that it was meant for academic purpose only and not for other investigations.

5.6 Suggestion for Further Studies

The study suggests that further studies to be done on challenges to strategy implementation in public and private hospitals in other counties.5

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APPENDICES

Appendix I: **Questionnaire.**

Instructions

Please tick (✓) the box that matches your answer or fill the space provided

PART A: **General Information**   **Date**

………………………

1) Kindly   indicate   your   position   /   title   in   the   organization?

  _____

2) What are your terms of employment:

  Temporary (   )   Permanent (   )   Contract (   )

3) How long have you been working in your present capacity?

  Less than 3 years ( )   3 to 5 years ( ) 5 to 7 years   ( )   Over 7 years ( )

4) How long have you worked for the Organization?

     1 – 2 years   (   )   6 – 10 years   (   )   Over15year (   )

     3 – 5 years   (   )   10 – 15 years (   )

PART B:

Challenges of Strategy Implementation

1.Organization Structure

5) To what extent does the organization structure affect strategy implementation?

     Very low extent [ ]

     Low extent   [ ]

     Moderate extent [ ]

     High extent   [ ]

     Very high extent[ ]

6) Rate the extent to which the following factors are employed in your organization in regards to the way organizational structure affect strategy implementation. Use the Likert 1-5 scale, with 1 being 'to no extent at all', 2 being 'to a small extent' 3 being 'to some extent', 4 being 'to a high extent' and 5 being 'to a very high extent'.

Description	1	2	3	4	5
Structure is matched to the strategy					
Size of structure is adequate to cover all strategies					
Existing structure is used to implement changes					
The current structures may as well distort and dilute the intended					

strategy				
Tasks are divided efficiently and they are clear				
Structures are well coordinated				
Decisions on how to coordinate activities, relationships are clear.				

7) Please indicate your opinion on how the structures in your organization affect the strategy implementation of the organization

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8) How can the structures be improved to ensure it does not affect the strategy implementation?

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Strategy formulation

To what extent does Strategy formulation affect strategy implementation in your organization?

Very great extent   [   ]

Great extent   [   ]

Moderate extent   [   ]

Less extent   [   ]

Not at all   [   ]

9) To what extent do you agree with the following statements that relate to "Strategy formulation in strategy implementation" in your organization? Use a scale of 1-5 where 1= strongly agree and 5 = strongly disagree.

Strategy formulation in strategy implementation	1	2	3	4	5
There is proper updating of organization's Information					
The organization ensures proper reachable Strategy formulation for all staffs					
There is efficient measuring and controlling of quantity and quality of information					
The organization enhances Strategy formulation of direct relationship with customer					
Strategy formulation enables development of strategies					

Communication

10) Is communication a key success factor within strategy implementation at your organization

Yes   [ ]

No   [ ]

11)   To what extent does communication process affect strategy implementation in
your organization?

Very great extent   [   ]

Great extent   [   ]

Moderate extent   [   ]

Less extent   [   ]

Not at all   [   ]

12)   To what extent do you agree with the following statements that relate to
communication process in strategy implementation in your organization? Use a scale
of 1-5 where 1= strongly agree and 5 = strongly disagree.

Communication in strategy implementation	1	2	3	4	5
Communicating with employees is frequently delayed until changes have already crystallized					
The organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy					
Lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be					

performed by the affected employees					
It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion					
An integrated communications plan must be developed at the organization to enhance strategy implementation					
Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation					
Communication relates in a complex way to organizing processes, organizational context and implementation objectives.					

13) What are the problems experienced in strategy implementation when the communication barriers arises.

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14) In what ways can communication challenges be resolved to ensure that it does not affect strategy implementation.

…………………………………………………………………………………………

Resource Insufficiency

Rate the extent to which the following factors on resource insufficiency affect
strategy implementation in your organization

Description	1	2	3	4	5
There are difficulties in finding sufficient, appropriate and continuous funding for their work					
They have limited resource mobilization skills and rely on international donors only.					
There is a lack of financial, project and organizational sustainability.					
Lack of funds limits the quantity and or quality of the important work they do.					
They face rising costs for staff and other program inputs, further straining their limited budgets					
The organisation faces an increasingly competitive and restrictive environment for obtaining funds through grants and donations					

15) How does the organization manage the resource insufficiency problem?

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Organizational Culture

16) Rate the extent to which the following factors on organizational culture affect strategy implementation in your organization?

Description	1	2	3	4	5
The implementation of a strategy often encounters rough going because of deep rooted cultural biases					
Organisations face resistance to implementation of new strategies especially in organizations with defensive cultures					
Creating an organization's culture, which is fully harmonized with implementation plan, offers a strong challenge to the strategy implementation leadership abilities					
Culture facilitates organizational decision making and control					
Stable culture can generate higher levels of cooperation and commitment in the organization					

17) In what other ways does culture affect strategy implementation?

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Commitment

18) To what extent does the level of commitment of top management affect the strategic implementation in your organization?

Very great extent   [   ]

Great extent   [   ]

Moderate extent   [   ]

Less extent   [   ]

Not at all   [   ]

19) What is your level of agreement with the following statements that relate to the effect of level of commitment of top management on the strategic implementation? Use a scale of 1-5 where 1= strongly agree and 5= strongly disagree.

Effect of level of commitment of top management on the strategic implementation	1	2	3	4	5
The top management's commitment to the strategic direction itself is the most important factor.					
The top managers must demonstrate their willingness to give energy and loyalty to the implementation					
The managers must not spare any effort to persuade the employees of their ideas for strategy					
Lack of top management backing is the main inhibiting factors					
Lack of manager's commitment to performing their					

roles leads to the lower ranks of employees missing support and guidance through encouragement of entrepreneurial attributes.					

Human resources

20) Rate the extent to which the following factors on human resources affect strategy implementation in your organization?

Description	1	2	3	4	5
Effectiveness of strategy implementation is geared by the quality of people involved in the process					
strategy implementation success depends crucially on the human or people side of project management					
Higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success					
The board is one of the key subjects of strategy implementation and they should discuss how to assess board effectiveness in guiding strategy execution					
Process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies.					

21) What are the main barriers in human resource while implementing the strategy?

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Appendix II: List of Public and Private Hospitals in Nairobi County As at 31ˢᵗ August 2013.

PUBLIC HOSPITALS:

1. KAMITI HOSPITAL

2. KENYATTA NATIONAL HOSPITAL (AMENITY WING)

3. KENYATTA NATIONAL HOSPITAL (GENERAL WARD)

4. MAMA LUCY KIBAKI HOSPITAL, KAYOLE

5. MATHARE MENTAL HOSPITAL (GENERAL WARD)

6. MBAGATHI DISTRICT HOSPITAL

7. NATIONAL SPINAL INJURY HOSPITAL

8. PUMWANI HOSPITAL MANAGEMENT BOARD

9. UNIVERSITY OF NAIROBI HEALTH SERVICES

PRIVATE HOSPITALS:

1. AVENUE HEALTHCARE LTD

2. BLESSED LOUIS PALAZZOLO HEALTH CENTER

3. CHIROMO LANE MEDICAL CENTRE

4. CITY NURSING HOME NAIROBI

5. COPTIC CHURCH NURSING

6. DIVINE WORD PARISH HEALTH CENTER

7. DORKCARE NURSING HOME LTD

8. EDELVALE TRUST JAMAA H HOSPITAL

9. EDIANA NURSING HOME

10. EMMAUS INNERCORE NURSING HOME

11. FAMILY HEALTH OPTIONS

12. GERTRUDES GARDEN CHILDREN'S HOSPITAL NBI

13. GURU NANAK RAMGARHIA SIKH HOSPITAL

14. H.H. AGAKHAN HOSPITAL (NAIROBI)

15. HURUMA NURSING and MATERNITY HOME

16. KASARANI NURSING and MAT. HOME

17. KAYOLE HOSPITAL

18. KILIMANJARO NURSING and MATERNITY HOME

19. LIONS SIGHT FIRST EYE HOSPITAL

20. MADINA HOSPITAL LIMITED

21. MARIA IMMACULATE HOSPITAL

22. MARIA MAT. and NURSING HOME

23. MARIAKANI COTTAGE HOSPITAL

24. MARIE STOPES KENYA LIMITED

25. MARURA NURSING HOME

26. MASABA HOSPITAL

27. MATASIA HEALTH CLINIC

28. MATER MISERICORDIAE HOSPITAL NAIROBI

29. MELCHIZEDEK HOSPITAL

30. MENELIK MEDICAL CENTER

31. METROPOLITAN HOSPITAL

32. MIDHILL MATERNITY and NURSING HOME

33. MOTHER and CHILD HOSPITAL

34. NAIROBI EQUATOR HOSPITAL

35. NAIROBI HOSPITAL

36. NAIROBI SOUTH MEDICAL CENTRE

37. NAIROBI WEST HOSPITAL

38. NAIROBI WOMEN'S HOSPITAL

39. NGUMBA CENTER AND LABORATORY SERVICES

40. OLIVE TREE HOSPITAL

41. PARKROAD NURSING HOME (NAIROBI)

42. RADENT HOSPITAL

43. S.S. LEAGUE M.P SHAH HOSPITAL NAIROBI

44. SAMARITAN MEDICAL SERVICES

45. SOUTH 'B' HOSPITAL

46. ST. ANNES MATERNITY HOME - NAIROBI

47. ST. JOHN'S HOSPITAL LTD

48. ST.FRANCIS COMMUNITY HOSPITAL

49. UMOJA HOSPITAL

50. UZIMA DISPENSARY AND MATERNITY

Source: NHIF (2013)