

**CHALLENGES IN IMPLEMENTING STRATEGIC PLANS AT KENYATTA
NATIONAL HOSPITAL PRIME CARE CENTRE**

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DECLARATION

I declare that this is my original work and has not been presented in any other University or College for Examination or Academic purposes.

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

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DEDICATION

To the Almighty God for this far he has brought me and to myself for the effort I have put to be able to achieve this.

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ABBREVIATIONS AND ACRONYMS

CEO	Chief Executive Officer
CHS	College of Health Sciences
GOK	Government of Kenya
HELB	High Education Loans Board
IT	Information Technology
KNH	Kenyatta National Hospital
KPCC	KNH Prime Care Centre
SBU	Strategic Business Units

ABSTRACT

Strategic plan implementation is aimed at delivering on the vision, mission and goals of the organization. Strategy implementation involves organization of the firm's resources and motivation of staff to achieve its objectives. Implementation requires carefully planned activities for the organization to achieve its objectives. challenges in strategy implementation mainly rotates on individual barriers such as too many and conflicting priorities, insufficient top team functions, a top down management style, inter-functional conflicts, poor vertical communication, and inadequate management development. The current study to establish the challenges in implementing strategic plans at KNH Prime Care Centre. The objectives of the study was to identify the challenges in implementing strategic plans at KNH Prime Care Centre (KPCC).The researcher adopted the case study research design. Primary data collected using an interview guide, was coded into the different factors and sectors, and analyzed through content analysis. The persons interviewed were the Chief Executive Officer CEO, Deputy Director in charge of Clinical Services, Senior Assistant Director in charge of the KPCC, the Assistant Director KPCC and four other functional heads at the KPCC. The study concludes that there are various challenges affecting KNH Prime Care Centre in implementing its strategic plan. These included financial constraints that affect the overall budget of the Centre, human resource constraints, employee's culture, feedback and communication.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic plan implementation is aimed at delivering on the vision, mission and goals of the organization. Strategy implementation involves organization of the firm's resources and motivation of staff to achieve its objectives (Mutwiri, 2012). Implementation requires carefully planned activities for the organization to achieve its objectives. These include activities relating to corporate level responsibilities, business units and functional departments. At each level objectives are set, appropriate plans drawn up, resources allocated within clearly defined budgets and monitoring and control procedures put in place (Lynch 2012). According to Pettigrew and Whip (as cited by Lynch 2012) implementation is best seen as a continuous and iterative process rather than one that simply occurs after the formulation of strategy.

O'regan and Ghoadian (2002) posit that firms which implement strategic plans achieve better performance than those without such plans, but the strategies often fail due to problems encountered at the implementation stage. Strategies plans should however be implemented with awareness that their success is vital for the organization in question. By identifying the factors that influence the process and outcome of the strategy implementation stage, an organization will better be prepared for its future performance (Al-Kandi, Asutay, and Dixon 2013). According to Hrebianial (2006), top management teams have discovered that if formulating a strategic decision is a hard task, then implementing of this strategy proves to be even a harder task. Strategy implemented task is easily the most complicated and time consuming part of strategic plan (Schaap, 2006).

Strategy development requires several processes and is on-going. Broadly, strategic management requires three processes (Lynch, 2012): Strategic analysis which entails the examination of the organisation, its mission and goals, how value will be created, competitor analysis and resource analysis; Strategy development which entails strategic options which may be built on the competencies in the organisation or to be acquired; and Strategy implementation which is the realization of the options. Different academic arguments arise in terms of the development of strategy. Two predominant viewpoints include the prescriptive approach and the emergent approach. A prescriptive strategy is one whose objectives have been defined in advance and whose main elements have been developed before strategy implementation commences (Lynch, 2012). The three core areas follow sequentially, i.e. strategic analysis, strategic development then strategic implementation. This study adopts prescriptive strategy theories.

Lynch (2012) differentiates between four different prescriptive theories, Industry and environment based theories of strategy (externally focused), Resource-based theories of strategy (internally focused), and Game based theories of strategy. According to Lynch (2012), externally focused theories includes are Profit-maximizing and competition-based theory. These are strategies that are primarily driven by the objective of maximizing profitability in the long-term.

The author posits that resource-based theories of strategy concentrate on the chief resources and capabilities of the organisation, especially where the organisation has a competitive advantage. Competitive advantage comes from the organization's resources and capabilities rather than the environment within which the company operates. Game-based theories of strategy are based on mathematical models of options and choice coupled with the theory of chance. They recognize a simple choice of 'best' strategy will have implications for other

companies such as suppliers and competitors. The author further states that co-operation and network theories of strategy focus on formal and informal relationships that can be built to develop strategic management such as strategic alliances and joint ventures.

1.1.1 Concept of Strategy

A strategy is a pattern of actions and resource allocations aimed at achieving the goal of an organization through the integration of the organizations major goals. Thus, a strategy is a plan, or a guideline to deal with a challenge towards achieving a given goal (Johnson and Scholes 2008). An organizational strategy is affected by environmental forces, strategic capability, and values and expectations of people in and around the organization. The scope of an organization's strategies therefore will contain; product range, its markets, and its processes.

A strategy helps an organization to arrange and allocate resources in a unique way basing on internal competencies and shortcomings (Quinn and Mintzberg, 2003). Thus a well formulated strategy contributes to achievement of success organization through realizing of desired objectives. However, for effective achievement of objectives proper steps during implementation process should be given serious consideration and focus.

1.1.2 Strategy Implementation

Businesses thrive in the market through utilization of available internal resources by the development and implementation of strategies which give them a competitive edge (Awino , 2015). Competition is a compelling force for development as it motivates firms to reduce inefficiencies and restructure outdated operations. According to Awino (2015), Organizations acquire competitive advantage over its competitors in an industry through offering customers greater value, either by lower prices or by producing

additional benefits and services that justify similar benefit or possibly higher prices as compared to other market players.

Traditional strategy implementation concepts overemphasize structural aspects, reducing the whole effort to an organizational exercise. Ideally, an implementation effort is a “no boundaries” set of activities that does not concentrate on implications of only one component, such as the organizational structure (Raps 2004). Strategic plan implementation process takes place at corporate, tactical and the operational levels of management. Each level having a specific role in the implementation process. Strategy is operationalized through tactical or action plans. The strategy is broken down to operational components. These components are assigned to specific departments or people and time frames are set within which they should be completed. Budgets are allocated for every activity. A control mechanism is also set to track down implementation (Pearce & Robinson, 1998).

1.1.3 Challenges in Strategy Implementation

Kaplan, (2005) stated that challenges in strategy implementation mainly rotates on individual barriers such as too many and conflicting priorities, insufficient top team functions, a top down management style, inter-functional conflicts, poor vertical communication, and inadequate management development. Eisenstat (1993) pointed out that most organizations are trying to develop new organization capacities but fail to get over these organizational hurdles: competence, co-ordination, and commitment. Sandelands (1994) indicated that there were difficulties to conjecture the commitment, time, emotion, and energy needed to translate plans into action. Peng and Litteljohn (2001) explained that the political turbulence might be the most important issue facing any implementation process. Implementation is the process that turns strategies and plans into action to accomplish the set objectives according to Ogunmokun et al. (2005). However, how the plans are implemented matters in determining

organizational performance. Both strategic planning and implementation are critically important to the success of an organization. When trying to assess the reasons for failure of organizations, one of the possible reasons is poor planning and the other is poor implementation. According to Pearce & Robinson (2005), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal and control processes which entail cascading strategy to all functional areas in such a way as to achieve both vertical and horizontal logic and enhance implementation of policies.

Researchers have revealed a number of problems in strategy implementation: These include weak management roles in implementation, a lack of communication, lacking a commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Beer and Eisenstat, 2000).

1.1.4 Kenyatta National Hospital

Kenyatta National Hospital (KNH) is the largest public hospital in Kenya. In addition to its primary mandate to provide specialized health-care services to patients on referral from provincial and district level hospitals, the Hospital facilitates medical training and research and participates in national health-care planning. The Kenya Health Policy 2014-2030 Framework places Kenyatta National Hospital at Level Six; the apex of the national health-care delivery system (Ministry of health, 2014). Therefore, the level of efficiency with which the Hospital delivers services to the public is a matter of national importance. Furthermore, due to its exalted position, the Hospital is expected to set high standards of health-care delivery that other public and private hospitals may emulate. Kenyatta National

Hospital operates decentralized management structure; where there are only three directorate each headed by a deputy director. The deputy directors are assisted in the day to day running of the facility by eleven senior assistant directors handling respective areas of specialization. The specialized areas are surgical, medical, KNH Prime Care Centre (KPCC), finance and supply chain and technical services. Other senior assistant directors manage corporate support, special programmes, human resource and administration, diagnostics and health information and pharmaceutical and nutritional services.

Previously, the hospital prepared on strategic plan which was implemented by all the departments. With effect from 2015, the KNH Prime Care will have its own strategic plan. However, the plan has not be authorized for circulation

1.1.5 KNH Prime Care Centre

KNH opened amenity Wards, which today form the KNH Prime Care Centre (KPCC) occupying the 1st, 9th and 10th floors of the tower block. The KPCC concept aims at providing quality health care at an affordable cost, while retaining the professional staff as they conduct their private practice within the hospital. The KPCC Wards have enabled the hospital to improve the quality of care, cleanliness and efficiency, and have improved staff morale. This Wing is a showcase of the quality of service the hospital can achieve without congestion in the Wards. In addition, the KPCC aims at generating additional revenue by catering for fee-paying patients.

Essentially, the KPCC is the private wing of the greater public Kenyatta National Hospital. The Prime care has two distinct facilities; the Medicare section which is the outpatient unit and among others it offers diagnostic consultation services, laboratory services, ultra sound facilities and a pharmacy. The second component is the Prime Care wards which are situated on the 9th and 10th floors of the tower block. The section has a bed capacity of 219 beds and

they are plans to increase the capacity to 233 beds. One of the prerequisites of being admitted at the Prime Care wards is to have own doctor, who will have recommended the admission. Currently, there are 115 doctors who have authority to admit patients at this facility. A patient who gets seeks admission without an own doctor can also be let in, and a specific doctor can be assigned this patient. This is to ensure patients have their specific doctors who are treating them so as to avoid scenarios of un-attended patients.

KPCC objectives are to attain customer satisfaction, to improve on medical equipment capacity. KPCC to be an outonomous entity which harness the potential for business opportunities in health care services, providing quality healthcare at competitive rates for in-patients, giving comprehensive services, participate in research training, providing consultancy services and information resources. KPCC to be an example of medical tourism in various disciplines. The Centre is also to attract, develop and retain optimal numbers of staff with requisites skill. Its aim is to achieve financial sustainability, to diversify and promote non-traditional services through collaborating with the business community and corporate clients in the provision of health care and related services. KPCC is also to build a strong brand name, *'To be a world class centre in the provision of private health care services'*.

1.2 Research Problem

Today's organizations are investing in grand strategies with the hope that, once successfully implemented, their performance will improve and its future in the market will be secured, but most of these strategies fail to bear fruit because they are not implemented effectively (Brander, Brown and Atkinson, 2001). The organization must engage in a strategic planning that defines objectives and assess both the internal and external situation to formulate strategy, implement it, evaluate the progress, and make necessary adjustment for survival (Thompson and Strickland, 2003). Different organizations face different challenges of

strategy implementation, mainly because of the complexity of the process associated with challenges, like type and size of the organization, type of strategy, political environment and business environment. Therefore, organizations today face major unpredictable changes that make strategy implementation difficult and complex than in the past (Harvey, 2008). Holman (2009) further points out that 80% of organizations directors believe that they have good strategies but only 14% believe that they implement them well. According to Mintzberg and Quinn, (1991), over 65% of organizational strategies fail to get implemented effectively.

The Kenyatta National Hospital (KNH) is facing the same challenges, just like many other organizations. It is a public level six hospital which most of the Kenyan prefer treatment than other hospital mostly in Nairobi areas, it also serve as a referral from different counties like Kiambu, Kajiado, Embu, Meru and Machakos. Most of challenges facing the hospital include staff shortage, ever-changing government policies, poor remuneration, drug shortage, overcrowding and high staff turnover. Kenyatta National Hospital Strategic Plan (2008-2012) assessed the implementation of its previous strategic plan at 51%. It attributed the low implementation to various challenges and limitations which included inadequate funding by the Government of Kenya (GOK) and low social economic status of majority of KNH patients.

Constrained staff establishment below the number required for optimum service delivery as also cited as a challenge. In the performance audit report that examined the delivery of specialized-care by Kenyatta national Hospital, The Office of the Auditor General (2012) revealed that patients experienced long delays before they received treatment in any of the specialized departments. The report attributed the delays to lack of sufficient numbers and specialist staff to cater for very large number of patients seeking treatment. The Kenya Health Policy (2014-2030) places Kenyatta National hospital at level six, the Apex of national health

care delivery system. The level of efficiency with which the hospital delivers services to the public is a matter of national importance. Furthermore due to its exalted position, the hospital is expected to set high standards of health that the other public and private hospitals may emulate (The Office of the Auditor General 2012). Income from the Private Wing of the Hospital, which was set up to supplement the Hospital's revenue, has not been as good as expected. The wing has incurred losses for many of the years it has been in operation.

Several studies have been undertaken on strategy implementation in Kenya. Awino (2000) highlighted the effectiveness and issues of strategy implementation of financing higher education by High Education Loans Board (HELB). (Kiprop 2009) who carried out a study on challenges of strategy implementation at the Kenya Wildlife service and Magambo (2012) reviewed the challenges of strategy implementation in public corporations in Kenya. The findings of these studies were; rigid organization structures, slow communication process, inadequate resources, un-adaptive organizational culture and unrealistic targets. However most studies done in the health sector are clinical in nature and tend to focus on disease management, but little has been done in areas of challenges facing strategic implementation of departmental which are important in the effective running of the hospitals (Okech, 2013). The challenges faced by Kenyatta National Hospital could be totally different from those faced by other organizations. This study sought to answer the following research question, what are the challenges in implementing strategic plans at KNH Prime Care Centre?

1.3 Research Objective

To identify the challenges in implementing strategic plans at KNH Prime Care Centre

1.4 Value of the Study

The study will provide knowledge concerning challenges affecting implementation of departmental strategic plan at Kenyatta National Hospital, with an understanding of the

implementation of strategies and the challenges that are encountered, hence devise systems and mechanisms that would ensure that strategies are implemented successfully.

The government sector will benefit in an invaluable source of material and information on the strategy implementation and the challenges encountered in the public hospitals, therefore establish ways of ensuring that strategies are fully implemented for effective duties in hospitals. The hospital management, government bodies and donor partners will benefit from the result of the study and obtain solutions in implementation of departmental strategic plans. The information will guide them to avoid pitfalls and hence improve their chances of successful implementation of their strategies effectively.

The study will offer valuable contribution to academia and practitioners in the field of strategic management, especially in academic writing, teaching and research. Hospital sectors to contribute the existing body of knowledge in the area of strategy implementation. Academicians may use findings for further research, while practitioners may apply lessons in planning and implementing future strategies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews both the theoretical and empirical (past studies) frameworks related to implementation of Strategic Plans and challenges of strategy implementation.

2.2 Theoretical Foundation

Johnson and Scholes (1993), identifies resource planning, organizational structure and people and systems as the three elements of strategy implementation. Resource planning identifies the major tasks to be done and assesses how, and by whom those tasks can be resourced. Organizational structure will commonly require amendment as part of the process of implementation and the organization must judge how best to organize the business in order to carry through the strategy. The system and work force must be geared up appropriately. The business procedures and information system may need adjusting and the skill mix may also require tweaking (Robson, 1997). Lynch (2012) introduces strategic implementation theories which includes perspective theories, which are very similar to what Johnson and Scholes identified, and emergent strategic implementation theories. Prescriptive Strategic Management defines objectives in advance and main elements developed before the strategy commences while under Emergent Strategic Management final objectives are unclear and elements are developed as the strategy proceeds (Regenesys Business School, 2014). Strategic plans at Kenyatta National Hospital follows the prescriptive theories and that what the current study will adopt.

2.2.1 Resource-Based Theories of Strategy (Internally Focused)

This approach looks at the Concentration on the chief resources and capabilities of the organization, especially where the organization has a competitive advantage. Competitive

advantage comes from the organization's resources and capabilities rather than the environment within which the company operates. This approach does not mean that all the resources of an organization will deliver competitive advantage but the core will (Lynch, 2012). A resource is an economic or productive factor required to accomplish an activity, or a means to undertake in order for an enterprise to achieve desired outcome. Organizations classify resources into internal and external resources (Awino, 2015). Internal resources of an organization include physical resources, people resources and organizational knowledge.

2.2.2 Game-Based Theories of Strategy

Game theory is a mathematical approach to investigating people's behaviour when the success of their choices depends on the choices of others involved in the same situation, the 'game'. It compares the outcomes of different choices, both for individuals and the group as a whole (Awino, 2015). The theory attempts to model the consequences of each choice and thereby allow the choice itself to be modified as the 'game' progresses; and it supports on-going anticipation of competitive responses and possible counter-moves in the search for optimal strategy (Lynch, 2012).

2.2.3 Co-operation and Network Theories of Strategy

The strategies include those that focus on formal and informal relationships that can be built to develop strategic management such as strategic alliances and joint ventures. Co-operative strategy theory focuses on situations where at least two companies work together to achieve an agreed objective. Network theories focus on sharing networks of personal contacts, knowledge and influence both inside and outside the organization (Lynch, 2012).

2.3 Strategic Plans

According to Lynch (2012), strategy is a plan of action designed to achieve a long term or overall aim. It has several at least three competing definitions. First, the identification of the purpose of the organization and the plans and actions to achieve that purpose. Second, the identification of market opportunities, coupled with experimenting and developing competitive advantage over time. Third, the pattern of major objectives, purpose or goals and the essential policies or plans for achieving those goals. Bhasin (2010) differentiates between three levels of strategy; corporate level, Business level also referred to as Strategic Business Units (SBUs) and functional support.

Corporate level strategy is responsible for the highest level of strategic decision – making it includes decisions about fulfilling the organization’s vision corporate goals, and organizational philosophy (the value orientation which is conceptual and less concrete than decisions at the business or functional levels). The business level is responsible for translating corporate level decisions to the functional level and they are responsible for coordinating the feedback from the functional level to the corporate level. Strategic Business Units (SBUs) serve discrete, independent product segments and are supported by functional departments. This suggests that different strategies are required for different product groups. (Bashin, 2010). Each SBU sets its own strategies to ensure the best use of organizational resources given the environments in which it operates. The corporate level assists the SBUs to define their scope of operation by either limiting or enhancing the SBUs operations in accordance with corporate strategy. Functional strategy refers to the generic business functions of Information Technology (IT), Finance, Marketing, Research and Development, Human Resources, and where applicable Manufacturing. Decisions here are referred to as 'tactical' –

the use of budgeted resources for optimal contribution to the achievement of the SBUs and corporate level goals. (Bhasin 2010)

Lynch (2012) suggests that strategy requires three processes and is on-going. The first's process is strategic analysis which entails the examination of the organization, its mission and goals; how value will be created through stakeholder analysis including the relationship with the environment, competitor and resource analysis. The second identified process is Strategy development entails strategic options (development and selection). According to the author, this may be built on the competencies in the organization or to be acquires and includes relationships including suppliers, customers, distributors and government. In most cases there are several competing options, which require careful selection. The third and the last process is Strategy implementation. Strategy implementation is the realization of the options which can range from the simple to the more complex. Pearce and Robinson (2011) propose eight core tasks, notably they combine the resource-based view with assessment of the external environment. They include: Formulating vision, analysis of internal conditions and capabilities, assessing the external environment, identifying most desirable options, selecting long term objectives and grand strategies, developing annual objectives, implementing choices and evaluating success.

Quinn (1980) identifies strategy as a plan that puts together an organization's major goals, policies and action sequences. Well formulated strategy enable organizations marshal and allocate resources in a unique way on the basis of relative internal competence and limited expected changes in the environment. According to Grant, (2000) there is no agreed all-embracing definition of strategy. Indeed, strategy is an elusive and somewhat abstract concept. He argues that this is expected when dealing with an area that is constantly developing. Strategy is the direction and scope of an organization over a long term. Strategies

are systematic choices about how to deploy resources to achieve goals. A strategy is a long term plan of action designed to achieve a particular goal, most often winning. Johnson and Scholes (2008) opined that a strategy is a pattern of actions and resource allocations aimed at achieving the goal of an organization through the integration of the organizations major goals. Thus, a strategy is a plan, or a guideline to deal with a challenge towards achieving a given goal. An organizational strategy is affected by environmental forces, strategic capability, and values and expectations of people in and around the organization. The scope of an organization's strategies therefore will contain; product range, its markets, and its processes. Strategic management, in its many forms, has significant benefits for the organization (Saleeth, 2010). The author identifies some of the benefits as; giving direction to the whole organization, defining what the organization wishes to achieve, making the management more aware of opportunities and threats and assisting in monitoring managers.

2.4 Implementation of Strategic Plans

The aim in implementing a strategy is to deliver on the vision, mission and goals of the organization. To achieve this, strategies need to be monitored and controlled. Various tools, including the Balanced Scorecard are effective in achieving coherency between what needs to be achieved and actually achieving this (Regenesys Business School, 2014). According to Lynch (2012) implementation requires carefully planned activities for the organization to achieve its objectives. These include activities relating to corporate level responsibilities, business units and functional departments. At each level, the author states, appropriate plans are drawn up resources are allocated within clearly defined budgets and monitoring and control processes are put in place. The plan should answer the following questions; what has to be achieved? Why is this important? Who is responsible for implementation? When does it

have to be achieved by? Which activities will enable the agreed objectives to be reached and who will and monitor the progress?

According to Raps and Kauffman, (2005), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control processes which entail cascading strategy to all functional areas in such away as to achieve both vertical and horizontal logic and enhance implementation of policies. Pearce and Robinson (2005) mentioned that a new strategy must first be institutionalized then operationalized for effective implementation. Institutionalization of strategy is the alignment of the strategy to the organization's structure, leadership, culture, company resources and support systems that must permeate the whole organization. Operationalization of strategy is putting the strategy into action by developing plans and short-term objectives, functional tactics, provision of adequate budget and empowering personnel who will perform the activities. A good strategy may fail due to improper institutionalization and improper implementation.

2.5 Challenges of Strategy Implementation of Strategic Plans

Hansen, Boyd and Kryder (1998) identified implementation problems as; failing to periodically alter the plan or adapt it to changes in the business environment, deviation from original objectives and lack of confidence about success. According to Rutan (1999), all implementation aspects during the planning phase are fundamental for execution as there is no time to do that during execution. It is critical that everyone on the team understands and agrees upon the details of the plan. Management must make the commitment to stay focused on the agreed upon plans and should only make significant changes to the plan after careful consideration on the overall implications and consequences of the change. The organization should maintain a balance between ongoing business activities and working on new strategic

initiatives. That is, that problems with implementation often occur when companies concentrate on new strategy development and in the process forget their main line of business that underlie within previously formulated business strategies. Nickols (2000) posits that strategy is execution. Only when the strategy and the execution are sound the organization has a pretty good chance for success, barring aside environmental and competitive influences. Further, he contends that executing the wrong strategy is one of the major problems leading to unsuccessful implementation of strategies.

Implementation obstacles most companies run into fall into two categories: problems internal to the company and problems generated by outside forces in its industry. These internal and external issues are affected by the extent of flexibility companies have to launch strategic initiatives successfully (Downes 2001). Johnson (2002) in his survey found that the five top reasons why strategic plans fail are related to motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. Ram Charan (2003) in his research on implementation problems notes that “ignoring to anticipate future problems” hinders successful strategy execution. Hrebiniak (2005) recognized the difficulty of strategy execution and the reward from doing that correctly. He discussed various factors that can lead to incorrect implementation of any strategy similar to those already discussed in the above literature discussion. Additionally, Hrebiniak’s identified additional factors that may cause obstacles to successful strategy implementation included: Lack feelings of "ownership" of a strategy or execution plans among key employees; not having guidelines or a model to guide strategy- execution efforts; lack of understanding of the role of organizational structure and design in the execution process; inability to generate "buy-in" or agreement on critical execution steps or actions; lack of incentives or inappropriate incentives to support execution objectives; insufficient financial resources to execute the strategy.

Brannen's (2005) survey based study concluded that in order to improve execution certain issues have to be tackled. These include inadequate or unavailable resources, poor communication of the strategy to the organization, ill-defined action plans, ill-defined accountabilities, and organizational/cultural barriers.

Kaplan, (2005) stated that challenges in strategy implementation mainly rotates on individual barriers such as too many and conflicting priorities, insufficient top team functions, a top down management style, inter-functional conflicts, poor vertical communication, and inadequate management development. Eisenstat (1993) pointed out that most organizations are trying to develop new organization capacities but fail to get over these organizational hurdles: competence, co-ordination, and commitment. Sandelands (1994) indicated that there were difficulties to conjecture the commitment, time, emotion, and energy needed to translate plans into action. Peng and Litteljohn (2001) explained that the political turbulence might be the most important issue facing any implementation process. Implementation is the process that turns strategies and plans into action to accomplish the set objectives according to Ogunmokun et al. (2005). However, how the plans are implemented matters in determining organizational performance. Both strategic planning and implementation are critically important to the success of an organization. When trying to assess the reasons for failure of organizations, one of the possible reasons is poor planning and the other is poor implementation. According to Pearce & Robinson (2005), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal and control processes which entail cascading strategy to all functional areas in such a way as to achieve both vertical and horizontal logic and enhance implementation of policies.

Researchers have revealed a number of problems in strategy implementation: These include weak management roles in implementation, a lack of communication, lacking a commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Beer and Eisenstat, 2000).

2.6 Empirical Review

In a study that sought find out challenges faced by East African Packaging Industries in strategy implementation, Keya, (2014) found out that the factors that determined success were; strategic market segmentation, understand competitor's strengths and weaknesses, respond to customer's needs and wants, efficiencies through ecommerce/technology, reliable delivery, strong service, solid sales and support staff, reduces costs, operates lean, and utilize employees strategically. The study found out that the persons responsible of strategic management process in East African Packaging Industries were the top managers in the corporate level, business level, functional level, dynamic level and operational level. The study revealed that organizational culture affected the strategy implementation in the organization through; ignoring the day-to-day business imperatives, poor leadership style of managers, the dominant values and beliefs, and norms not being productivity driven, lack of understanding of strategy implementation, customers and staff not fully appreciating the role of strategy implementation towards organizational growth.

Matheka, (2014) sought to establish how strategy was implemented at Kenyatta National Hospital and the challenges that faced strategy implementation at the country's largest teaching and referral hospital. The study found out that strategy at the hospital was implemented using the Balanced Score Card approach with the four perspectives: Internal

business process, customer perspective, financial perspective and learning and growth perspective. The study found out that the challenges facing strategy implementation at the hospital included the hospital culture that results into resistance to change, inadequate government support, lack of finances, inadequate skill sets for specialized services and inadequate infrastructure. Lack of management support to the strategy implementation was also cited as a major challenge to strategy implementation.

Wachira and Irungu (2015) carried out a study that sought to establish whether strategic planning improves organizational performance taking the case study of Kenyatta National Hospital. The study targeted the top management, middle level management and operational managers because they understand the institution's strategic plan. The study revealed that strategic plan implementation at KNH improved the performance of the hospital especially on service delivery to customers. The study concludes that in order to ensure effective strategy implementation, the organizations needs to continue involving all stakeholders in the process of strategic planning starting from formulation, implementation to monitoring and evaluation.

2.7 Research Gaps

Previous studies did not examine the challenges faced by KPCC in implementation its strategic plans. Matheka, (2014) focused on challenges that faced strategy implementation at Kenyatta National Hospital. The study did not look at KPCC leaving a gap to be pursued by other scholars.

Cater and Pucko (2010) studied poor leadership as the biggest obstacle to strategy execution in Eastern Europe, and not Africa. The implementation gaps illuminated by previous studies (Awino, 2007; Mintzberg, 1994; Letting, 2009; Arasa, 2008; Aosa, 1992; Cater & Pucko, 2010) such as poor leadership, poor communication and lack of stakeholder involvement, will

be brought into account. This study sought to investigate the challenges affecting implementation of strategic plans at KPCC.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section sets out the research design to be used in the study, the justification of the design, the data collection method, the analysis and reporting of data has also been explained.

3.2 Research Design

Research design is a scheme, outline or plan used to generate answers to research problems (Orodho, 2003). It is a presentation of the structure or strategy of investigations which seeks to answer various research questions (Legase, 2009). The researcher adopted the case study research design. Case study places more emphasis on full contextual analysis of fewer events or conditions and the interventions. Case study involves in-depth study and detailed description of a single entity situation or phenomenon (KIM Management Training, 2010).

3.3 Data Collection

The study used primary data. The primary data was collected using an interview guide. The Interview Guide was made up of one section that sought the respondent's views on the challenges in implementation of the departmental strategic plan. The interviewees were the Chief Executive Officer (CEO), Deputy Director in charge of Clinical Services, Senior Assistant Director in charge of the KNH Prime Care Centre (KPCC), the Assistant Director KPCC and four other functional heads at the KPCC as they are considered key to strategy implementation.

3.4 Data Analysis

The data to be collected was qualitative in nature, as it is derived from interviews. The data was coded into the different factors and sectors, and analyzed through content analysis. Content analysis is defined by Mugenda and Mugenda (2008), as the systematic qualitative

description of the components of the objects and materials of the study. It is appropriate since it offers flexibility and allows for objective, systematic description of the content under study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction/Overview of the chapter

This chapter presents the result of the analysis of data collected through interviews with the 8 senior managers drawn from various departments.

4.2 Response Rate

The study sought to establish challenges in implementing strategic plans at Kenyatta National Hospital Prime Care Centre (KPCC), which sets out strategic interventions that will enable the hospital improve performance to the expected international standards and attain world class status. The data was analyzed using content analysis based on meanings and implications emanating from respondents information and documented data. Specifically, it analyzed the respondents' results on the challenges facing the implementation of the strategic plan adopted by KPCC.

The Study respondents were the Chief Executive Officer (CEO), Deputy Director in charge of Clinical Services, Senior Assistant Director in charge of the KNH Prime Care Centre (KPCC), the Assistant Director KPCC, Assistant Director Public Health, Administrators in charge of Nursing Services, Corporate Affairs and Communication, and clinical services. A total of eight senior managers of KPCC and were all interviewed contributing to 100 per cent (100%) response rate. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good while a response rate of 70% and over is excellent.

4.3 Challenges of Strategic Plan Implementations

The respondents reported a number of challenges, as outlined hereunder, that they encountered during the strategic plan implementation. They underscored the fact that if these challenges could be dealt with, then the implementation process would indeed be smoother and ultimately yield more success.

4.3.1 Legal Status as a Challenge to Strategic Plan Implementation

Unlike many other state corporations that are established through acts of parliament, Kenyatta National Hospital was established under Legal Notice No.109 of 6th April 1987 that spelt out its mandate and responsibilities. The respondents were asked to indicate whether the legal status of the KNH was a challenge to the implementation of KPCC strategic plan. The findings indicates that lack of legal backing brought challenges as the organisation has to depend on the government in making key decisions including budget and financial matters. The Legal Notice is inadequate in addressing all the issues affecting the Hospital. Therefore, there is need to review the Legal Framework and establish the Hospital through an Act of Parliament. An Act of Parliament will specify in greater detail the objectives, functions, responsibilities and operations of the Hospital. It sets out the parameters under which the Hospital will provide its services without interference from external forces. The respondents stated that the hospital has thus embarked on the process of lobbying for enactment through an Act of Parliament. Further, the study investigated on the impact on implementation of strategic plan of KPCC arising out of its existing as a department of KNH as opposed to an independent entity. The interviewees stated that lack of autonomy from the main hospital affected the decision-making, funding, procurement and services as when needed at KPCC. However, some respondents stated that the fact that resources are shared better address the needs of larger organisation.

4.3.2 Organizational Structure Vis- a – Vis Strategy Implementation

The previous organizational structure, according to strategic plan (2008- 2012), had inherent problems of span of control and effective chain of command. The structure then had Hospital is headed by a Chief Executive Officer (CEO) head the hospital. The CEO was responsible to the Board of Management for planning and day-to-day activities. There were two (2) positions of Deputy Director, one for Clinical and the other for Administration and Finance. The two Deputies were in charge of over forty-five (45) departments and units. To address the limitations, the strategic plan had proposed a new organisation structure which was in force at the time of this study. The study sought to establish whether the new management structure addressed the challenges that were highlighted by that strategic plan. Further the researcher sought to find out if the new management structure was a challenge to the implementation of the KPCC strategic plan. The respondents were convinced the structure partly addressed the challenges highlighted in the previous strategic plan. They felt that the current plan had a wide span of control below the level of Assistant Directors. They respondents mentioned that direct responsibility, oversight and coordination still seemed to report to different centres of authority thus affecting the implementation of strategic plans. It was opined that the roles of senior assistant director were duplicated. To a certain extent, the respondents felt, the management structure improved the implementation of strategic plans at the KPCC by having a senior assistant Director responsible for the wing, the team leader was also involved in other activities of the main hospital.

4.3.3 Impact of Culture on Strategic Plan Implementation

The respondents were requested to indicate how they found the employees work culture at the hospital. From the findings employee work culture aspects posing challenges in strategy implementation included; Staff culture, attitude and resistance to change, power politics that

promoted of negative culture, lack of cultivation of strong cultural value to meet the changing organizational needs, poor integration of activities and diminished feelings of ownership.

The respondents stated that culture was so entrenched that it does affect making meaningful changes especially in patient care and getting positive clinical outcomes. The study found out that there was a lot of blame game and passing the buck. The respondents felt that employee culture was poor if not pedestrian and enthusiasm, energy and bedside manners were often missing. In instances where the culture was positive, the study found out, it was self-centered and was aimed at self-preservation. Though the respondents acknowledged that culture was extremely important in the hospital as it dictates how people perceive and act on things, the work culture, the study found out, varied from fair to average despite the better remuneration at KPCC as compared to the main hospital. This affected the implementation of the KPCC strategic plan as customer satisfaction was still poor and the handling of patients was not good. However section leaders encouraged active participation from the staff they supervised. The respondents underscored the importance of a good organizational culture. They reckoned that a good culture is necessary for success since it unites people and creates an atmosphere that is result oriented. It also helps people accept and adapt to changes that may occur in the business since people know and understand change is healthy and aimed at fostering success.

The respondents were requested to indicate how employee work culture impacted on the implementation of the KPCC strategic plan. According to the findings, all the respondents indicated that culture affected strategy implementation and to a very great extent. From the findings the employee culture aspects posing challenges in strategy implementation included; lack of cultivation of strong cultural value to meet the changing organizational needs, poor integration of activities and diminished feelings of ownership and commitment by the implementers, lack of understanding of how the strategy should be implemented; customers

and staff not fully appreciating the strategy; difficulties and obstacles not acknowledged, recognized or acted upon; and ignoring the day-to-day business undertakings.

4.3.4 Resources and Policy on Strategic Plan Implementation

The major source KNH funding is from annual grants provided by the Government. In addition, international and local donors occasionally finance projects undertaken by the Hospital. Resources, both human resources and monetary, pose a big challenges in strategic plan implementation. All departments work with budgets which are supposed to be adhered to by all the units. The challenge comes in situations that call for more resources or huge investments but the budget does not allow. Indeed, the hospitals strategic plan had identified financial constraints as one of the challenges the hospital faced in carrying out its role in the national health agenda. The study sought to find out what effects government and donor funding had on the implementation of the strategic plan. The researcher also sought to find out if there were any other resource constraints that the hospital faced in the implementation of the strategic plan

The study revealed the knowledge and acceptance of the fact that resource and capacity is not only necessary but critical in strategic plan implementation. The respondents all appeared to appreciate that you must seek to have the right personnel in the right positions for the right jobs. The Hospital does not receive sufficient amounts of annual grants from the Government to meet its operational and investment needs and the KPCC did not receive donations and when donations are received, they are shared with the main hospital. The Hospital's lack of sufficient financial resources to acquire and maintain the equipment; physical facilities and human resources affected the strategic plan implementation as a lot depended on what was available. The respondents' also identified insufficient number of facilities and specialist personnel deployed by the Hospital as a challenge to the implementation process.

Procurement for improvement of structures, strengthening of the laboratory services and pharmaceutical services was still a challenge. In addition, the external operating environment facing the Hospital has stretched the Hospital's resource capacity beyond its limits.

4.3.5 Feedback and Communication on Implementation of Strategic Plans

Feedback is critical in order to check the progress and chart new directions in the implementation process. The respondents felt that feedback was adequate and was given through meetings and reports. Feedback was given quarterly, half yearly and yearly. Some respondents felt it would be necessary to seek for feedback from the entire workforce. Currently the feedback is being given to senior managers only. Breakdown in communication was cited by respondents as a challenge to the strategic plan implementation process.

All the respondents felt that communication was the greatest challenge in the strategic plan implementation. Majority of the people interviewed felt that communication was not adequate. The people felt that sometimes decisions are not well and clearly communicated. Moreover, communication is not at all times done to all the stakeholders in the implementation process.

4.3.6 Hospital's Policy on Replacement of Aging Medical Equipment

Availability of appropriate medical equipment and physical facilities are an important factor in provision of quality health care services. The study sought to find out if the hospital had a policy and plan for replacement of aging medical equipment. Further it sought to find out if this affected the implementation of strategic plans and if so how. According to the respondents, the hospital was yet to formulate policies on acquisition, maintenance, and replacement of its medical equipment and other infrastructure. This resulted to poor service delivery and reduced revenue generation. In addition the equipment in the hospital were old and broke down frequently. The hospital equipment, the study found out, are serviced only

when they break down rather than on scheduled cycles. Further, the absence of service maintenance contracts, leads to delay in repair of equipment that break down. The study found out that perennial shortage of funds constraints the capacity of the hospital to buy new equipment and replace old ones in a timely manner. The respondents argued that lack of the replacement policy, to a great extent affected the implementation of the strategic plan.

4.4 Suggestions from the Interviewees

On my interview to the senior management of the hospital, I posed a question to them on what they thought were other possible measures that would counter the challenges of strategy implementation at KPCC. Majority of them said granting greater autonomy to the wing and suggested that it should be a private entity with its own staff and other financial resources.

The respondents reiterated the fact that communication on the strategic direction and the objectives needs to be done adequately and in a timely manner. Most of them agreed that communication was inadequate and sometimes fails to reach everyone as should be the case.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusion and recommendations from the research findings. It also gives suggestions for further research together with recommendations and impact on policy, theory and practice.

5.2 Summary

The findings of the study are presented in order of the key aspects in regard to the objective of the study which was to establish challenges of strategic plan implementation at the Kenyatta National Hospital Price Care Centre (KPCC). The study inquired on the various challenges facing the implementation of the KPCC strategic plan. The respondents reported a number of challenges, including the lack of autonomy of the main hospital as well as the KPCC.

The findings indicates that lack of legal backing brought challenges as the organisation has to depend on the government in making key decisions including budget and financial matters. The interviewees stated that lack of autonomy from the main hospital affected the decision making, funding and procurement and services as when needed at KPCC. Some respondents stated that the fact that resources are shared better address the needs of larger organisation. The respondents were convinced the organizational structure partly addressed the challenges highlighted in the previous strategic plan and that direct responsibility, oversight and coordination still seemed to report to different centres of authority thus affecting the implementation of strategic plans

Culture was cited as being extremely important in the hospital as it dictates how people perceive and act on things. The respondents mentioned that enthusiasm, energy and bedside manners were often missing. In instances where the culture was positive, it was self-centered and was aimed at self-preservation. This affected the implementation of the KPCC strategic plan as customer satisfaction was still poor and the handling of patients was not good. However section leaders encouraged active participation from the staff they supervised.

The study revealed the knowledge and acceptance of the fact that resource and capacity is not only necessary but critical in strategic plan implementation. The respondents all appeared to appreciate that you must seek to have the right personnel in the right positions for the right jobs. Funding from the Exchequer was inadequate and the KPCC did not receive donations. This affected the strategic plan implementation as a lot depended on what was available. Procurement for improvement of structures, strengthening of the laboratory services and pharmaceutical services was still a challenge.

The respondents felt that feedback was adequate and was given through meetings and reports. Feedback was given quarterly, half yearly and yearly. Some respondents felt it would be necessary to seek for feedback from the entire workforce.

5.3 Conclusion

The study concludes that the strategy implementation in KNH Prime Care Centre(KPCC) is moderately effective and therefore have existing gaps created by challenges faced in strategy implementation that require to be addressed to enhance the effectiveness of strategy implementation. The study concludes that the challenges affecting strategy implementation in KPCC included legal status and lack of autonomy, financial constraints that affect the overall budget of the Centre, human resource constraints, employee's culture, feedback and communication. For the success, efficient mobilization, and timely deployment of resources,

accountability, effective monitoring, evaluation and reporting of any achievement to be considered.

Since its inception, the Hospital operated as a department of the Ministry of Health until 1987 when the hospital changed its status to a State Corporation through Legal Notice No. 109 of 6th April 1987. The Legal Notice is inadequate in addressing all the issues affecting the Hospital. This has been a challenge in the implementation of the KPCC strategic plan. Therefore, there is need to review the Legal Framework and establish the Hospital through an Act of Parliament. An Act of Parliament will specify in greater detail the objectives, functions, responsibilities and operations of the Hospital. It will set out the parameters under which the Hospital will provide its services without interference from external forces. The hospital has thus embarked on the process of lobbying for enactment through an Act of Parliament.

5.4 Limitations of the study

One of the anticipated limitations that was encountered while conducting the research was getting the respondents who were to be interviewed during working hours as many of them maybe out for field work or in closed door meetings. To overcome this, the researcher made special appointments to meet the targeted respondents early in the morning before they left office. The study also acknowledged that not all information sought for this research is in the public domain and to overcome this challenge permission was sought to access the organizations documentation which captured the required information.

5.5 Areas for further studies

The study recommends further research to be carried out in the following areas;

- 1) To assess how organizational Structure affects Strategy Implementation at Kenyatta national hospital prime care centre.

- 2) To establish the effects of organisational culture on strategic plan implementation at Kenyatta national hospital causality
- 3) To assess the effects of management support on strategic plan implementation at Kenyatta national hospital causality

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APPENDICES

APPENDIX 1: Interview guide

QUESTION 1

- a. Unlike many other state corporations that are established through acts of parliament, the KNH was established as a state corporation through a legal notice of 1987. To what extent has the legal status of KNH been a challenge to the implementation of KPCC strategic plan?
- b. The KPCC does not exist as an independent legal entity, rather it is a department of KNH. Has this impacted on the implementation of its strategic plan?

QUESTION 2

The previous organizational structure, according to strategic plan of 2008- 2012, had inherent problems of span of control and effective chain of command.

- a. Has the new management structure addressed the challenges that were highlighted by the strategic plan?
- b. Has the new management structure been a challenge in the implementation of the KPCC strategic plan?

QUESTION 3

- a. How do you find the employees work culture at the hospital?
- b. Does it in any way impact on the implementation of the KPCC strategic plan

QUESTION 4

- a. Does the hospital has a policy and plan for replacement of aging medical equipment? Yes/NO
- b. If no how has this affected the implementation of strategic plans?

QUESTION 5

- a. There has been increased cases of drug and substance abuse in the country, how has this impacted on the strategic plan implementation at KPCC?
- b. The funding of the KNH has been largely through exchequer and other donors agencies. What effect has it had on implementation of The KPCC strategic plan?
- c. Do you have any resource constraints hindering the strategic plan implementation?

QUESTION 6

- a. Does monitoring and evaluation have an influence on the implementation of strategic plans at the biggest referral Hospital?
- b. How often is feedback on strategic plan implementation communicated to the employees?
- c. Does communication pose any challenges in implementation?

QUESTION 7

KNH is used as a training hospital by a number of institutions including UON and KMTC. Has this in any way been a challenge to the KPCC strategic plan implementation?

QUESTION 8

- a. Please explain briefly any other challenges encountered in the strategic plan implementation at KPCC.
- b. Suggest the possible measure that could also be implemented to counter the challenges of strategy implementation at KPCC?

Thank you for your time