RESPONSE STRATEGIES ADOPTED BY THE MINISTRY OF HEALTH TO CHALLENGES OF DEVOLVED HEALTHCARE SERVICES IN KENYA

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DECLARATION

This research project is my original work and has not been presented for academic purposes in any institution of higher learning or to any examination body.

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This research project has been submitted as part fulfillment of the requirements for the award of Degree in Masters in Business Administration with my approval as the university supervisor.

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God bless you all.
DEDICATION

This MBA research project is dedicated to my husband Dr. Peter Okoth, my son Timon, my daughter Tania, my niece Veronica and my parents Mr. and Mrs. John Onyango for their constant love, support and prayers.
ABSTRACT

Varied environmental challenges exert pressure on organizations to seek strategies that will enable them survive and excel. Response strategies are rapid and creative actions that organizations deploy in trying to establish a fit with the dynamic and turbulent environment. This study sought to establish the response strategies the Ministry of health in Kenya has adopted in dealing with challenges of devolved healthcare services. This was a case study of the Ministry of Health that involved collection of primary data and secondary data. Primary data was obtained through interviews enabled by use of interview guides to top management of the Ministry of Health. Secondary data involved extracting information from the MOH documents like strategic plan of 2014 to 2018. It also entailed getting relevant information from the MOH’s and partners’ websites to corroborate information provided during face to face interviews. Content analysis was done along thematic areas outlined and as per the study objectives. The research findings revealed that the challenges of devolved health care services have included: governance and leadership gaps; frequent industrial strikes by health care workers; inadequate infrastructure; weak inter-county collaboration; financial constraints and delays; weak referral systems; weak health information systems; challenges in inter-governmental coordination; and inadequate and inefficient health products and technologies. The MOH has pursued the following strategies in addressing the challenges: formation of strategic alliances, joint venture, outsourcing, diversification, market penetration, market development, product development and department-specific operational strategies. The study concluded that inadequate and delayed financial resources, poor human resource management, and overlap of resources and functions between the county governments and the MOH are hampering health service delivery under devolution. The study recommended that intergovernmental relations be strengthened and relevant laws enacted that will clearly unbundle the roles of the MOH and the counties in matters of health care service delivery. Proper policies and strategies are required in prudent management of human resources for health. The issues of delayed and inadequate funding for counties need to be resolved if devolution is going to succeed in provision of healthcare services. The study experienced limitations in that it did not assess to what extent the strategies adopted by the MOH were successful. The study confined itself to few strategies outlined upfront by the researcher in addition to limiting the research to the MOH. Further studies are required to focus on: extent of success of the strategies; other corporate, business and operational strategies; other environmental variables; other contexts outside MOH; and other research methodologies for instance surveys and longitudinal studies within the same MOH.
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ABBREVIATIONS AND ACRONYMS

AIDS  Acquired immuno deficiency Syndrome
EDT  Environment Dependence Theory
GE  General Eletric
HISP  Health Insurance Subsidy Program for the poor
HIV  Human immunodeficiency Virus
HOD  Head of Department
ICDC  Industrial Commercial Development Corporation
ICT  Information, Communication, Technology
ICU  Intensive Care Unit
JICA  Japan International Cooperation Agency
KEMSA  Kenya Medical Supply Agency
KSG  Kenya School of Government
MES  Managed Equipment Services
MNEs  Multi National Enterprises
MOH  Ministry of Health
MSP  Ministerial Strategic and Investment Plan
MRI  Magnetic Resonance Imaging
NGO  Non Governmental Organization
NHIF  National Health Insurance Fund
PPOA  Public Procurement Oversight Authority
SAGAs  Semi-autonomous government agencies
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations experience complex changes of varying proportions exerted by the dynamic and turbulent environment in which they operate (Thompson, Strickland & Gamble, 2007). Strategy entails the interaction of the external environment, the resources and the values of an organization. The values of an organization exhibited by the behaviours of its managers and employees can determine how well resources are utilized in dealing with threats and opportunities emanating from the external environment. It is critical to distil out of this complex environment, an understanding of key environmental factors that impact on an organization in a bid to ensure that it achieves a close link with its environment for it to succeed. Response strategies are mechanisms an organization ensures a fit into the changing environment (Ndungu, Machuki & Murerwa, 2014).

Environment Dependency Theory (Ansoff and Sullivan, 1993) and Contingency Theory of organizations (Galbraith, 1973, cited in Ginsberg & Venkatraman, 1985) provide a framework for understanding how organizations behave in an attempt to survive in the uncertain external environment. Ansoff and Sullivan (1993) demonstrated that levels of strategic aggressiveness and the levels of management capability of a firm should match the environmental turbulence level being experienced for optimum profitability to be realized. Adopting a strategy that is out of step with the prevailing environmental circumstances may be inappropriate for an organization seeking profit maximization. Contingency Theory is premised on assumption that there is no single ultimate approach to organize and what might be considered a best approach is not equally applicable under all conditions (Galbraith, 1973,
cited in Ginsberg & Venkatraman, 1985). There exists no strategy or set of strategies which are perfect for all organizations regardless of their resource position and regardless of the environmental situations they encounter (Hofer, 1975). This implies the need to develop strategies that align organizational resources with the corresponding environmental context.

The health sector in Kenya comprises public, private and other non-profit organizations. The 2010 constitution of Kenya changed the structure of health care in the country. The establishment of the national and devolved governments delineated the functions of these two tiers as far as health is concerned (GoK, 2010). The fourth schedule of the constitution outlines the responsibilities of the Ministry of Health at the national level which include among others: health policy; and national referral health facilities. The devolved county governments have mandate over health services in their respective jurisdiction including other functions outlined in the constitution (GoK, 2010).

The Ministry of Health (MOH) has the major responsibility of setting health agenda through policy formulation, technical assistance and capacity building. The county governments are then expected to function within the regulatory health framework provided for by the ministry and the national government. The MOH like other organizations operates in an environment with both internal and external influences that determines its success. The MOH is expected to scan both its internal and external environment with a view of identifying emerging challenges and crafting appropriate strategies to deal with them. This study focused on the Ministry of Health as a key player in health service delivery and which
continues to receive negative publicity whenever there are health challenges in the counties despite the fact that most of the health functions were devolved.

1.1.1 Response Strategies

Strategy is defined as the direction and scope of an organization spanning over a long time and which is concerned with achieving a sustainable competitive advantage through its configuration of resources and competences (Johnson, Scholes and Whittington, 2008). Response strategies have been defined by Lansley (1987, cited in Tansey, 2013) as quick and innovative responses which require developing new linkages with the environment. The dynamic shifts in the environment thus compel organizations to consider creative and time sensitive strategies that will enable them to both survive and thrive.

Response strategies are broadly categorized into corporate strategy, business strategy/competitive and operational strategy (Johnson et al., 2008). These three levels of strategies are interdependent and are dynamic in interaction and need to be integrated to ensure organizations achieve expected performance and success (Burnes, 2009). Response strategies are important to organizations irrespective of the nature of challenges they encounter as they position an organization to adapt to the changing environment so as to remain relevant in the market. Response strategies permit organizations to effectively manage the prevailing and emerging environmental surprises (Mathooko, 2014; Ye, Shen & Tan, 2010). Detailed assessment of the environment should precede formulation of response strategies and these strategies must create a fit with the respective market structures under consideration. Response strategies are thus as important as long as they are crafted to address
environmental challenges and as long as managers believe that their actions are congruent to environmental dictates (Ye et al., 2010; Waddock & Isabella, 1989).

1.1.2 The Concept of Devolution

Devolution is a form of decentralization which involves independent lower level units that are legally established as distinct governance entities. Devolution can be defined as the shift of authority, responsibility and resources from the national government to lower government tiers involving relinquishing of some functions or creating new units that are not within the direct control of the national government (Rodriguez, 2002). The devolution process in itself requires some degree of cooperation between the national and sub-national levels (Gathu, 2014).

Devolution has been considered critical as it enhances democracy, encourages public participation in nation building, results in the improved delivery of public services closer to the people and ensuring accountability at the sub-national/local levels (Fleiner, 2006; White, 2011). Apart from enhancing equity, devolution tends to encourage innovation at the sub-national levels against the backdrop of intergovernmental competition and it can minimize big corruption associated with centralized systems (Fleiner, 2006; White, 2011). It is further argued that devolution can be used to accommodate diversity, to respond in real time to new challenges at the local level as well as to bring state bureaucracy closer to the citizens (Fleiner, 2006).
There are challenges associated with devolution. Devolution can bring to the fore inequality in economic development given the diverse nature of devolved units with different resource capabilities (Fleiner, 2006; Nhede, 2013). Capacity gaps have been linked to devolution with a number of devolved units not having expected skills, competence and expertise to discharge their functions (Fleiner, 2006; White, 2011). Increased costs of administration is another challenge resulting from increased number of administrative units but reduced in sizes (Rodriguez-Pose, 2002; White, 2011). Central governments are faced with the challenge of coordinating and facilitating devolved structures in addition to ensuring linkages and implementation of policies originating from the central government (Nhede, 2013; Farooqi, 2013).

The following ingredients are critical for devolution to succeed: full commitment by both the national and lower tiers of government; adequate financial and human resources; appropriate legislative framework that unbundles the roles of the different tiers of government including their relationships; accountability and transparency; constructive dialogue between national and devolved units; and adequate capacity at the sub-national levels in terms of skills and competence (Akpan, 2007).

1.1.3 The Healthcare Sector in Kenya

The organization of the health sector in Kenya is hierarchical in nature and includes both public and private institutions. The private sector players are categorized as private for profit and private non-profit making which includes non-public organizations and faith based organizations (Muga et al., 2005). The country has approximately 7795 health facilities with the public sector comprising slightly half of these (3956), private for profit 34% (2652) while
private not-for-profit make up 15%. There are 16 national hospitals, 463 county hospitals and approximately 7316 primary care facilities (GoK, 2013). Financing of health services and programs in Kenya are from three primary sources: the government through the exchequer; donors who fund health programs; and the private sector and NGOs (Kimalu et al, 2004). Kenya’s health sector budget has continued to remain below 10% of total public spending and thus not meeting the target of 15% set in the Abuja declaration in 2000 (Briscombe et al, 2010).

After the promulgation of the Kenyan constitution in 2010, the structure of the public health sector changed drastically as most public health functions and services were devolved to the county governments (GoK, 2010). This therefore implies that county governments have authority in delivery of health services including management of health workforce while the national government provides policy guidelines in addition to managing national referral hospitals. Inadequate staffing, insufficient medical supplies, frequent strikes by health care providers protesting against poor working conditions are some of the challenges of devolved health services in Kenya which have affected service delivery in most health facilities (Mwamuye & Nyamu, 2014). As counties address these challenges in their own ways, it is also critical to understand the strategies the MOH has utilized in dealing with the same issues.

1.1.4 The Ministry of Health

As one of the ministries in the government of Kenya, the organizational structure of the Ministry of Health has the Cabinet Secretary at the helm, followed by the principal Secretary
and then the Director of Medical Services. The MOH has six departments which are: Standards and Quality assurance and Regulations; Preventive and Promotive Health; Curative and Rehabilitation Health Services; Policy, Planning and Health Financing; Health Sector Coordination and Intergovernmental Affairs; and finally Administrative Services. The ministry is responsible for 8 semi-autonomous government agencies (SAGAs) and eight regulatory bodies (GoK, 2014).

The key functions of the MOH as defined in the fourth schedule of the constitution are: development of national health policy; technical assistance and capacity building to the counties; and overseeing health service delivery at national referral hospitals (GoK, 2010). The MOH is responsible for: developing health policy; providing direction in healthcare financing; overseeing national referral hospitals; National public health laboratories; ensuring quality assurance and standards; health information, communication and technology; fostering public-private partnerships; monitoring and evaluation; planning and budgeting for national health services; and services provided by the 8 semi-autonomous agencies; health issues at ports, borders and trans-boundary areas; and major disease control of HIV/AIDS, malaria and tuberculosis (KPMG, 2013).

Health Sector Intergovernmental Consultative forum was instituted in August 2013 to enhance dialogue between the national and the county governments concerning health related issues. It is envisioned that technical working groups of the forum will be established to deal with issues relevant to both levels of government (Republic of Kenya, 2014). It is recognized that the bulk of health service delivery remains with the county governments with the focus
of ensuring accessible, equitable, affordable and quality health services. There is however fear by the Ministry of Health and the national government that county governments are inclining more on improving access at the expense of quality with clients thinking that devolution has not necessarily improved health service delivery (Mwamuye & Nyamu, 2014; Muchomba, 2015). There is therefore need to comprehend the challenges of devolved healthcare service delivery from the perspective of the MOH with accompanying strategies to tackle the issues.

### 1.2 The Research Problem

The dynamic and unpredictable environmental factors continuously challenge the status quo of many organizations. Organizations are required to possess an in-depth understanding of the politico-legal, ecological, economical, social and technological environment they are anchored on for them to exhibit appropriate behavior (Pearce and Robinson, 2007). Strategies will point to different actions organizations take to confront the various challenges facing them. The strategies may range from operational, business and corporate which have to function in concert to enable organizations achieve the set objectives (Johnson.et.al, 2008). There seems to be lack of consensus by scholars on a single success formula with packaged strategies for optimizing profitability for an organization (Ansoff & Sullivan, 1993). The strategies that have worked in one firm have failed in another and therefore there is need to customize strategy based on the prevailing environmental drivers.

Devolution as a form of decentralization is a phenomenon that has gained momentum in more and more nations of the world as a way of addressing societal inequalities. As a nation
transits from centralized governance to a devolved governance system, there are accompanying changes and challenges which can impact organizations operating in such a landscape (Burugi, 2010, cited in Omar, Kaburi, Omato, Ochoti & Memba, 2012). For an organization to be able to perform optimally, it needs to identify and deploy appropriate strategies to deal with emerging and anticipated devolution and other environmental challenges. In this regard, strategies adopted should be contingent to the challenges encountered as each challenge might be unique and will require a different strategy for it to work.

The health sector in Kenya has witnessed a shift in service delivery following the promulgation of the new constitution that created devolved governments. The MOH provides policy guidelines to be implemented by the county governments. Implementation challenges arise in the event that resources are not availed within reasonable time frames to support county governments to execute ministerial health policy guidelines. Though there might be similar health challenges that cut across most counties, it is recognized that counties are different with some unique challenges which require different strategies. The MOH at the national level has been in existence longer than the county governments and it is therefore better positioned to provide a comprehensive view on challenges of devolved health care services and appropriate strategies in dealing with the issues. Moreover, the health policy mandate of MOH necessitates that it identifies challenges being experienced by county governments in implementation of policy guidelines. A study to document the challenges and response strategies was therefore necessary.
Empirical evidence exists on strategies employed by organizations in responding to changes in the exogenous and endogenous environment. Dumitrescu and Scalera (2012) synthesized and analyzed studies performed on multinational enterprises (MNEs) across the globe with the aim of identifying successful strategies these firms used. The study revealed that innovation, trade cost and market conditions determined the internal strategies adopted by the MNEs. The successful strategies pursued by these firms were found to be strategic alliances and diversification while fusion and licenses were least considered. The MNEs behavior to environmental challenges was established to be more proactive. A study by (Kitching et al, 2009) argued that there is no one perfect strategy that organizations can utilize in dealing with environmental shocks resulting from economic recession. There was no consensus on whether retrenchment, investment or ambidextrous strategy was the most appropriate for firms during recession periods.

In Kenya, studies have been conducted on strategies adopted by some public organizations to changes in the external environment (Mathooko and Ogutu, 2014; Bett, 2011; Njagi, 2012). Studies have also been carried out in the health sector on strategies employed in dealing with environmental challenges. Ligondo (2012) conducted a study on strategic responses adopted by private hospitals to changes in the external environment. The study revealed that hospitals utilized the following strategies in responding to environmental jolts: collaboration with stakeholders, strategic alliances, organizational learning and organizational reengineering, innovation, downsizing, outsourcing, focus and technological forces.
Kimare (2013) researched on strategic responses adopted by MP Shah Hospital to changes in the external environment. Innovation, product differentiation, efficiency, adherence to government regulations and promoting a learning culture were the strategies pursued by MP Shah Hospital in dealing with environmental challenges. Imbuye (2012) focused on strategic responses by the Aga Khan University Hospital to brain drain in the health sector in Kenya. The Aga Khan University Hospital adopted diversification, market development, product development, backward integration and collaboration through alliances as strategies to mitigate brain drain challenge. These studies revealed that organizations experience environmental challenges and devise appropriate strategies of managing these challenges for them to survive and succeed.

From the foregoing, little is known on strategies the Ministry of Health has adopted in dealing with challenges of devolved health care services in Kenya. Previous studies conducted focused on different contextual settings. The studies concentrated on other public organizations and not the MOH while health sector related studies focused on strategies adopted by private health facilities. Moreover, previous studies focused on other concepts like response strategies to: general environmental challenges, brain drain phenomena and competitive environment. The studies predominantly emphasized corporate level strategies leaving out business and operational strategies. This study therefore sought to address the contextual and conceptual gaps. What are the response strategies that are adopted by the Ministry of Health to challenges of devolved health services?
1.3 The Research Objective

The objective of the study was to determine the response strategies adopted by the Ministry of Health to challenges of devolved health care services in Kenya.

1.4 Value of the Study

This study was being conducted in the formative years of devolution in Kenya, when the challenges of implementing the new constitution are emerging. It was envisioned that the study findings would be valuable to the county governments (to whom most health functions have been devolved) to understand the challenges of devolved health care services and how to craft appropriate, effective and innovative strategies to deal with them.

This study lends value to theory building upon which researchers can derive testable propositions on the concepts described. The study contributes and extends the existing body of knowledge that academicians can base their studies in regard to response strategies to challenges of devolved health services. Researchers and academicians will find the study useful as it sets precedence in addressing some existing gaps in strategies employed to deal with challenges of devolved health care services.

This study is of value in policy development to those charged with such responsibilities. The study findings are important to the legislature and the government in general in making, amending and enacting appropriate laws and regulations that can strengthen the functioning of the health sector under devolved government. The findings could aid the Ministry of Health to appreciate challenges emanating from devolved health care services experienced
by the county governments and the MOH and how to formulate policies and strategies that will mitigate against them.

The study will be invaluable in understanding the interface between county government and the MOH in health care service delivery. This is critical in highlighting the overlapping functions, defining boundaries of operations and thereby strengthening coordination and communications between the two levels of government. Managers in the health sector and other relevant stakeholders will find the study to be of value to their managerial practice. They can make reference to the findings of the study to enable them make informed choices to issues relevant to them.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter elaborates existing theoretical, conceptual and empirical literature on the study topic. It explores the theoretical foundation, the organization-environment interface, challenges of devolution, discussion on the concept of response strategies and finally it provides a summary of knowledge gaps.

2.2 Theoretical Foundation

This study is anchored on two key theories, namely: Environment Dependence Theory (Ansoff and Sullivan, 1993) and Contingency Theory (Negandhi and Reimann, 1972). Ansoff and Sullivan (1993) are the key proponents of the Environment Dependence Theory (EDT) which emphasizes that organizations operate in varying levels of environmental turbulence determined by the complexity of events, rapidity of transition from one event to the next, familiarity with future occurrences and visibility of the impacts of these occurrences. The key postulation of the theory is that for maximum profitability, the levels of both strategic aggressiveness and general management responsiveness of the firm must be matched with the environmental turbulence level being experienced.

Environment Dependence Theory grounds the study in establishing the response strategies the MOH has adopted in dealing with challenges in health care service delivery occasioned by devolution as a politico-legal environmental shock. The EDT makes the assumptions that there is no one distinct strategic behavior which assures success and that environmental
turbulence is a driving factor determining the strategic behavior that will succeed (Hristova, 2015). Organizations are therefore expected to demonstrate strategic aggressiveness behavior and manage challenges and changes in a manner that is in tandem with the environmental shifts being experienced (Ansoff and Sullivan, 1993).

Contingency Theory is closely related to the Environment Dependence Theory and it postulates that an organization’s survival is contingent on it establishing a harmonious link between its internal structural arrangements and its external environmental requirements (Negandhi & Reimann, 1972). Contingency Theory anchors the study in demonstration of strategies deployed by the MOH in establishing equilibrium with the pressures of the exogenous and endogenous environment. Çakır (2012) applied Contingency Theory in his case study of the European Union by analyzing the relationship between the structure of the organization and variables like environment, size, strategy and technology. There was noted structural adaptation by the organization as exogenous factors dictated. As the internal market size expanded, the organization shifted from a centralized, non-bureaucratic to a bureaucratic structure. The structure further changed from functional to divisional occasioned with a diversified strategy as a result of adopting a foreign policy in addition to the existing economic policy.

The underlying assumption in the Contingency Theory is that there is no one individual strategy that is optimally applicable to all organizations and that the effectiveness of an organization is hinged on establishing a fit between contingent factors in its internal and external environment (Islam & Hu, 2012). Misfits in organization-environment interface
necessitate adoption of appropriate strategies that will bring back equilibrium for optimal organizational performance and success. One limitation of the Contingency Theory is that its applicability to large complex organizations is hampered as it was originally developed for simpler and smaller business organizations (Çakır, 2012).

2.3 Organization- Environment Interface

Organizations operate in uncertain and dynamic remote, industry and operating environments which provide challenges of varying proportions affecting them (Pearce and Robinson). The political, economical, social, technological, ecological and legal factors form the remote environment determine the opportunities, threats and constrains available to an organization (Pearce and Robinson, 2007). The industry environment captures the following factors that directly influence an organization: entry barriers, competitor rivalry, availability of substitutes, and the bargaining power of buyers and suppliers (Porter, 1985). The operating environment encompasses factors influencing the competitive position of an organization. These factors relate to customer profiles, suppliers, creditors and the labour market (Pearce and Robinson, 2007).

Organizations need to constantly evaluate both their endogenous and exogenous environment so as to gain a deeper understanding in aiding them devise appropriate strategies to survive and succeed (Thompson et al, 2007). Strategic fit thinking contends that environment-strategy harmonious alignment can result in improved performance of a firm under certain environmental conditions (Lukas, Tan and Hult, 2001). This implies that organizations can identify opportunities and threats in the environment and reconfigure their internal
capabilities in a manner that exploits opportunities and minimizes threats. This is essentially matching strategy to environment thus gaining a fit.

Strategic stretch goes beyond merely pursuing opportunities that fits an organization’s resources. It entails having a vision or ambition that outstrips the available resources and working strategically to leverage these resources to create new forms of competitive advantage (Hamel and Prahalad, 1993). Hamel and Prahalad (1993) argue that abundant resources are not necessarily a panacea for success and continued industry leadership. Organizations that thrive are those with strategic mind-sets that aspire to achieve ambitious goals with little yet maintain their competitive position. Strategic stretch paradigm ropes in strategic intent in which organizations strategies tend to be ahead of anticipated environmental factors challenges. A hint in environmental shifts results in strategies that overextend the organization’s current resource endowment and capabilities in a way that will lead to excellent performance way above the competition.

It has been advanced by Dózsa (2010) that public organizations work in a regulatory environment and in cases where they are overregulated and inflexible, their effectiveness can be hindered. The turbulent and rapidly changing environment requires that public organizations are flexible and swift in adapting for them to succeed. Political goodwill was thus considered vital in ensuring success of strategies adopted by public organizations in fitting with environmental dictates (Dózsa, 2010).
2.4 Challenges of Devolution

Devolution signifies that the devolved units acquire autonomy and independence that is legally recognized with central government exercising indirect supervisory control (Rondinelli, Nellis & Cheema, 1983). Devolution in most countries has been occasioned by political or external pressures for governments to respond to political, social and economical ills. Conflicts, inequalities, corruption and inefficient utilization of public resources are some of the ills affecting societies that have led to the clamour for devolution (Gathu, 2014).

As the devolution discourse unfolds, inequality in economic development is highlighted as a possible challenge owing to the diverse nature of sub-national levels with others more endowed in resources than others (Fleiner, 2006; Nhede, 2013). There are capacity issues associated with devolution with some devolved structures lacking requisite skills and competence to effectively function including curbing what has been termed as decentralized corruption (Nhede, 2013; White, 2011). Devolution can result in increased number of administrative units but reduced in sizes which can culminate in increased costs of administration (Rodriguez-Pose, 2002; White, 2011). Central government faces the challenge of coordinating and facilitating devolved structures without appearing patronizing in addition to ensuring linkages and implementation of policies emanating from the central government (Nhede, 2013; Farooqi, 2013). Devolution can lead to creation of powerful autonomous units that can have the potential to become precursor to secession (Fleiner, 2006).

Okojie (2009, cited in Hamid, 2013) examined decentralization in Africa using Nigeria as a case study where he contended that devolution in Africa lags behind in realizing expected
outcomes and established the following as major causes: political and financial power appears to be skewed in favour of the central government; inability by the devolved units to generate adequate revenue through taxes; no defined minimum standards with respect to quality, quantity and access from national government to devolved government; and inadequate skilled human resources. In Botswana, human resource function was not completely devolved and challenges arose where the devolved units reported shortage of qualified and skilled staff resulting in suboptimal service delivery (Tshukudu, 2014).

2.5 Response Strategies towards Challenges of Devolution

Organizations operate in an increasingly fluid environment and managers with a positive perception of the environment are likely to adopt strategies that will enhance their performance and survival (Waddock and Isabella, 1989). Response strategies are therefore linked to how well the environmental uncertainties are perceived by the top management and the actions taken to deal with them that will ultimately determine performance. Strategies in an organization involve corporate, competitive/business and operational strategies (Johnson et al., 2008). Some scholars argue that hierarchy of strategies as previously conceived may not be sustained as the line between corporate and business strategies gets obliterated (Furrer, Thomas & Goussevskai, 2007).

2.5.1 Corporate Strategies

Corporate strategy comprises initiatives an organization takes to establish business presence in different industries, the approaches adopted in cross business coordination that enhances synergy while at the same time realizing optimal individual and combined business
performance (Thompson et al., 2007). Corporate strategy defines the overall scope of an organization and determines the business in which it should be involved. At this level, the top executives outline strategic objectives to be pursued in order to achieve envisioned financial and non-financial performance goals (Johnson et al., 2008; Pearce and Robinson, 2007). As business strategy focuses on creating value, corporate strategy should aim at adding value thus creating a synergetic effect that can ultimately lead to the success and survival of the firm. This literature will focus on the following corporate strategies: diversification, merger and acquisition, strategic alliance and outsourcing.

Diversification strategy pushes an organization to seek new markets with new products (Johnson et al., 2008). Organizations pursue diversification strategies for various reasons: efficiency gains; expanding corporate parenting capabilities; enhancing market power; responding to market decline; distributing risk across a range of businesses; and meeting expectations of influential stakeholders (Johnson et al., 2008). Organizations pursuing diversification strategy should ensure that there is a strategy for each business unit although challenges emerge in determining the appropriateness of the various strategies (Bettis and Hall, 1982).

A merger involves two companies or more coming together to form one new company with the rest of the companies dissolving legally while an acquisition is a combination in which one company purchases another company and manages it in line with the acquirer’s needs (Thompson, Strickland and Gamble, 2007). Mergers and acquisitions involve combining the operations of two organizations with a view of obtaining operating economies, fortifying the
resulting company’s competences and competitiveness and unlocking new market opportunities (Thompson et al., 2007). A study by Jørgensen (2010) revealed that Danish banks succeeded in surviving economic challenges by adopting merger and acquisition strategy.

Strategic alliances are collaborative agreements involving a minimum of two companies jointly working together to achieve mutually beneficial results (Thompson et al., 2007). Strategic alliances can involve joint contribution of resources, joint distribution, joint research, joint development of technologies, joint marketing and joint sales. A Joint venture on the other hand involves forming of a new company owned by two or more companies to pursue a mutually attractive opportunity (Thompson et al, 2007).

Outsourcing is a corporate strategy by which an organization farms out its non core business functions to those service providers with expertise on those areas as the contractor concentrates on its core activities (Van Mieghem, 1999; Suraju and Hamed, 2013; Thompson et al., 2007; Pearce and Robinson, 2007). Organizations vary on their reasons for outsourcing but most do to: improve financial performance; acquire technology and specialized expertise; enhance ability to concentrate on core competences and strategic issues; attain sustainable competitive advantage; and improve system coordination (Van Mieghem, 1999; Suraju and Hamed, 2013). Much as strategic outsourcing can improve organizational effectiveness, Suraju and Hamed (2013) advance that the opposite effect is also possible and hence major risks should be evaluated before embarking on outsourcing.
2.5.2 Business Strategies

Business strategy is middle level, medium term strategy that focuses on formulating responses to the changing market conditions to ensure competitiveness of an organization (Thompson et al., 2007). The Ansoff product/market growth matrix (Ansoff, 1988 cited in Johnson et al., 2008) will be utilized to highlight the following business strategies organizations adopt: market penetration; product development and market development. Although diversification strategy is also considered as a business strategy in this model, it has already been captured in the corporate strategy.

Market penetration strategy is a low risk strategy which involves focusing on selling current products or services to the existing customers or new customers in the same market with the aim of increasing market share (Ansoff, 1957; Johnson et al., 2008). This strategy builds on existing capabilities and is best suited for organizations scaling down on investments. A market development strategy entails marketing existing products to customers in related market areas by introducing new distribution channels, opening additional geographic markets and creating new market segments by differential pricing policies (Ansoff, 1957; Pearce and Robinson; Johnson et al., 2008). This strategy carries with it some level of risk and requires more financial investments in addition to posing coordination challenges of the various segments, users and locations (Pearce and Robinson, 2007; Johnson et al., 2008).

Product development strategy is an expensive and a high risk strategy focused on innovations by creating new or modifying current but related products and delivering to existing markets through established distribution channels (Ansoff, 1957; Pearce and Robinson, 2007; Johnson et al., 2008). The strategy is pursued by those organizations keen
on leveraging on their brand name or to extend the life cycle of current products with a view of improving performance (Ansoff, 1957; Pearce and Robinson, 2007).

2.5.3 Operational Strategies

The main functional level strategies involve finance, marketing, research and development, technology, human resources, manufacturing/operations and supply chain (Burnes, 2009). The operational strategies focus on how these various functions/components of organizations deliver effectively the corporate and business level strategies in terms of resources, processes and people (Johnson et al., 2008). The day-to-day activities within the operations function define an organization’s activity hence its operations which can have a strategic bearing. The corporate and business strategies have to be operationalized into action plans implemented on a day-to-day basis by the functional units. For an organization to perform optimally in the corporate and business strategies, it has to be certain that the marketing strategy, the production strategy, the finance strategy, the human resource strategy and other operational strategies are effectively coordinated for synergetic effects (Thompson et al., 2007).

2.6 Summary of Knowledge Gaps

Organizations experience a myriad of forces from both its endogenous and exogenous environment that can affect their strategies and performance (Johnson et al., 2007). Understanding the environmental influences and key drivers of change can be vital in guiding organizations on developing strategies that fit the prevailing and future states. Proactive rather than reactive strategies are preferred due to the rapid shifting of key drivers of change (Johnson et al., 2007).
Global and local studies have been performed on how various organizations have positioned themselves to address the environmental challenges they experience. Dumitrescu and Scalera (2012) synthesized and analyzed studies conducted on multinational enterprises (MNEs) across the globe with the aim of identifying successful strategies these firms adopted. Kitching and associates (2009) carried out a study that focused on business strategies firms in the UK and globally have adopted in response to difficult economic conditions. In Kenya, studies have been conducted on strategies adopted by some public organizations to changes in the external environment (Mathooko and Ogutu, 2014; Bett, 2011; Njagi, 2012). Studies have also been carried out in the health sector on strategies pursued in dealing with environmental challenges. Ligondo (2012) conducted a study on strategic responses adopted by private hospitals to changes in the external environment. Kimare (2013) researched on strategic responses adopted by MP Shah Hospital to changes in the external environment. Imbuye (2012) focused on strategic responses by the Aga Khan University Hospital to brain drain in the health sector in Kenya.

Literature review reveals contextual gaps in research with respect to the Ministry Health in Kenya and the strategies it has adopted in responding to challenges of devolved health services. Previous studies were conducted in different contextual settings. The global studies concentrated on multinational corporations which are predominantly private and profit making organizations. The studies conducted in Kenya focused on other public organizations and not the MOH while health sector related studies focused on strategies adopted by private health facilities. Furthermore, the studies carried out in the health sector were done before
the implementation of the devolved health services. To this end, a study to address these contextual gaps by focusing on the Ministry of Health was necessary.

Conceptual gaps also emerged as previous studies focused on other concepts like response strategies to: general environmental challenges; brain drain phenomena; competitive environment; and difficult economic conditions. The studies predominantly emphasized on corporate level strategies leaving out business and operational strategies. The researcher is not aware of any study that had focused on strategies organizations adopt in responding to challenges of devolved healthcare services. This study therefore sought to address the existing contextual and conceptual gaps by determining the response strategies adopted by the Ministry of Health to challenges of devolved healthcare services.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology that was adopted in carrying out the study. It entails describing the research design which is the blueprint for the collection, measurement and analysis of data. The next section in this chapter is data collection which illustrates the data collection tools and data collection procedures utilized. Data analysis is the last section in the chapter detailing the procedures and techniques adopted.

3.2 Research Design

The research adopted a case study design as an appropriate method in evaluating strategies the Ministry of Health has adopted in tackling challenges resulting from devolved healthcare services. A case study enables an in-depth examination of a case under real life context in situations where the boundaries between the phenomenon and the context are not apparent. It is therefore, best utilized when research addresses descriptive and explanatory questions requiring a first-hand understanding of people and events (Yin, 2004).

The case study research design has successfully been used by a number of authors in different contexts (Bett, 2011; Imbuye 2012; Kimare, 2013). Bett (2011) conducted a case study on Kenya Post Office Savings Bank while Imbuye (2012) carried out a case study on strategic responses by the Aga Khan University Hospital to brain drain in the health sector in Kenya. Kimare (2013) successfully researched on MP Shah Hospital using a case study.
3.3 Data Collection

The study collected both primary and secondary data. Primary data are collected for the specific research problem at hand, using procedures that fit the research problem best while secondary data refers to data originally collected for a different purpose and reused for another research question (Hox and Boeije, 2005). Primary data collection though costly and time consuming, enables a researcher to operationalize the research design, theoretical framework and data collection strategy as per the research questions, objectives and problem statement. Secondary data collection on the other hand is less costly and data retrieval is faster but one disadvantage is that the data was originally collected for a different purpose and may not be exhaustive for the problem under consideration (Hox and Boeije, 2005).

Qualitative primary data was collected using an interview guide targeting seven (7) interviewees: the Director of Medical Services and the heads of the following six departments: Standards and Quality assurance and Regulations; Preventive and Promotive Health; Curative and Rehabilitation Health Services; Policy, Planning and Health Financing; Health Sector Coordination and Intergovernmental Affairs; and finally department of Administrative Services. However, only 5 heads of departments were interviewed. Secondary data was obtained by use of desk search techniques of ministerial strategic plans policy documents and progress reports. A thorough review of these documents was done to establish strategies the ministry is pursuing in responding to challenges of devolved health services. Some data was obtained from the MOH website and websites of some development partners.
3.4 Data Analysis

Data collected was edited and then analyzed using qualitative content analysis. Content analysis has been described as a research technique that involves the study of content with aim of establishing meanings, contexts and intentions contained in messages (Prasad, 2008). The emerging themes and subthemes during content analysis are examined in relation to the objectives and research questions to facilitate the formation of a narrative.

In this study, data collected using the interview guide was edited first then entered in an excel spread sheet according to the thematic areas outlined for ease of comparison. Data analysis entailed examining emerging themes and variables related to the study and categorizing them accordingly based on the research question and study objectives. The themes to be distinguished were those regarding challenges of devolved health services and corresponding response strategies the MOH is pursuing to confront these challenges. Secondary data collected was incorporated in the analysis and corroborated the findings obtained during the interview. Data has been presented qualitatively in a narrative form and compared to other existing literature. Where secondary data was collected, the source has been cited.
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The Ministry of Health is confronted with an unpredictable and constantly changing internal and external environment. To maintain balance and survive the onslaught of this dynamism, the ministry must respond appropriately and promptly. This involves analysis of the prevailing and anticipated environmental factors and matching them with relevant strategies that can realize optimal organizational success, survival and growth. The objective of this research was to determine the response strategies adopted by the Ministry of Health to challenges of devolved healthcare services. This chapter therefore documents the analysis and findings of the study as per the research methodology developed. Both primary and secondary data was collected in this study.

Primary data was obtained through scheduled personal interviews using interview guides. The following seven top management were targeted for interview: The Director of Medical Services (DMS), Head of Health Sector Coordination and Intergovernmental Affairs; Head of Policy, Planning and Health Financing; Head of Health Standards, Quality Assurance and Regulations; Head of Preventive and Promotive Health; Head of Curative and Rehabilitative Health; and Head of Administrative Services. The Director of Medical Services had just been appointed and was the immediate Head of Preventive and Promotive Health department which had not gotten a replacement by the time of collecting data. One interview was to be conducted to the DMS to capture data from the positions of DMS and HOD, but this was not possible. Five HODs were interviewed to exhaustively cover the devolution health
challenges and the strategies implemented. The interviewees had been with the organization for an average of fifteen years and had served in their current positions for an average of two years.

Secondary data was also retrieved from ministerial documents, MOH website and MOH development partners’ websites to triangulate the interview findings. The research relied on the Ministerial Strategic and Investment Plan July 2014-June 2018 (GoK, 2014) for more information to corroborate the findings from the interviews. Another document that provided valuable information was the Annual health sector performance report 2013/2014 and priorities for implementation of health services 2015/2016 (GoK, 2014).

4.2 Challenges of Devolved Healthcare Services

This section sought to understand the various environmental challenges affecting the health sector. The issues covered included the following: the general challenges affecting operations at the Ministry of Health; the relationship of the MOH with the county governments; the challenges the MOH was experiencing as a result of devolving health services to the counties; and the challenges the counties were facing as a result of managing devolved health services.

The Ministry of Health continues to experience general environmental challenges according to the interviewees. Politico-legal environment shifted and devolution was noted to have changed the structure and orientation of the MOH. With devolution, the mandate of the Ministry was basically reduced to capacity building, policy formulation and technical
assistance to the counties. Service delivery was devolved to the counties and thus the structure of the MOH had to change to reflect the new roles.

When interviewees were asked on the general environmental challenges the MOH faced, most interviewees mentioned that inadequate and delayed financial resources was hampering operations at the Ministry. Funds are released by the Ministry of Finance through the Treasury department which determines when and how much funds to release and not necessarily based on what was budgeted for. It also emerged from the interview that the funds received from the exchequer are itemized and this affects flexibility with which the Ministry can utilize the funds. This inflexibility was also noted in human resource whereby the Ministry cannot just proceed to fill vacant positions but has to go through a bureaucratic process involving the Public Service Commission. The process could sometimes delay leading to paralysis of some operations at the Ministry. Another environmental challenge experienced was the delay in enacting the new Health Bill. The MOH was still operating with the old Public Health Act of 1962 which is out of step with the new constitution. This, according to the Head of Policy, Planning and Health Care Financing has delayed formulations of some policies which needed to be anchored in the proposed Health Bill 2016.

The relationship of the MOH and the county governments was noted by some interviewees to be varied depending on issues and counties. All respondents noted that the relationship was interspersed with some level of mistrust and suspicion at the beginning but with time the relationship was getting better. At the formative stages of devolution, there was no clear and
common understanding of the roles of either levels of government as far as devolved health services was concerned. The roles of both levels of governments were yet to be fully unbundled. There was still some level of suspicion by the county governments that the MOH was still holding onto some functions and resources of the counties.

“When devolution started, relationship was that of uncertainty. There was inadequate capacity in the counties to manage human resources. There was a lacuna in law. Issues emerged with no regulatory framework. E.g transfer of staff between county and national government and pension issue was not concluded. With time there is better understanding. Challenges are still there with some counties and with a few particular managers. Consultative forums with counties are held to improve capacity building.” (HOD: Administration).

The interviewees were asked on the challenges the MOH was experiencing as a result of devolving health services to the counties. The challenges highlighted were related to management of human resources, governance and leadership issues, referral system, health products and technology, financial constraints, health information system, bureaucracies involved in communicating with the counties and coordination challenges. The findings established that representative counties send to the health sector consultative meetings do not have authority to make decisions on behalf of the counties. These representatives tend to request for more time to consult with their bosses thus delaying decision making and implementation process. The MOH also admitted that they were still facing a challenge in accepting the reality that health services had been devolved and they need to adjust to the new governance structure with the new roles.

“Progressively we are accepting but as MOH we took a long time to accept that devolution was real and was going to change our operations. Denial is still affecting us. It affects how we plan as we are still planning with the districts in mind.”
The interviewees indicated that they were ill prepared to build capacity of the counties as they themselves lacked the prerequisite skills and capacity. An interviewee stated;

“Mandates were assigned before we ourselves had adequate capacity. Do we have capacity ourselves to build capacity of the county governments?”

It was also pointed out that sometimes the health priorities of the county governments were not congruent to those of the MOH. This was reflected on the resource allocation by counties to activities that were not considered priority by the MOH. Utilization of conditional grants from the MOH by some county governments did not meet MOH approval.

The study also sought to establish the challenges the counties faced as a result of managing devolved healthcare services. The interviewees mentioned the following challenges: inadequate capacity at the county, frequent industrial strikes by health care workers, inadequate infrastructure for health, weak inter-county collaboration, challenges in procurement of health products, financial constraints and delays and also leadership and governance gaps.

Human resource management was a cross cutting challenge in most counties. Most of the health workers were seconded or decentralized to the counties and were ill prepared for this transition. Frequent strikes by health workers due to delays in salaries and lack of promotions have affected a number of counties. There was also differential remuneration of health care workers across counties with some counties paying their employees better than others within the same job groups. Within a county, there were differences in pay within same job scale depending on where the employees originated from. For instance, those
employed by counties were better paid followed by those inherited from the defunct local
governments and the least paid were those seconded from the Ministry of Health. These
disparities created discontent among health care workers. The interviewees mentioned that
the county governments lacked the requisite capacity to address and manage the human
resource for health.

“Human resource was not receptive to devolution. Has not accepted. Lack of interest
by health care workers. Chief Executive Committees are headed by non-qualified
individuals. We never prepared counties what was expected of them in a devolved
system. Roles of medical superintendents changed to CEOs yet were not prepared for
that. From a passive medical superintendent to CEO. They used just to receive
medicines. Need now to understand environment and make decisions. Were used to
being figure heads. Now they need serious planning for HR, infrastructure
development and resource mobilization.” (HOD: Policy, Planning and Health Care
Financing).

The interviewees cited that at that moment there was no legal framework regarding inter-
county and inter-governmental transfers of human resource. Transfers of health care workers
from one county to the other and from one level of government to another was initially based
on mutual agreement, but with advancing time, challenges were emerging. Another human
resource challenge was on the issue of medical interns. Internship training is a national
function and all interns from the medical schools undergo one year training in which they all
receive their salaries from the national government. Internship centres are spread across the
country and most of them are county-run health facilities. Some of these centres do not have
adequate accommodation for the interns thereby affecting the morale of these trainees. Upon
completion, the Ministry of Health compiles a list of the successful interns and hands them
over to the Council of Governors which conducts the deployment. County governments
recruit based on their needs and requests and most counties prefer people from their own
communities. Not all interns get absorbed and not all go to their preferred locations.
4.3 Response strategies

The Ministry of Health has pursued a number of strategies to cope with the challenges of devolved health services. All the interviewees stated that the Ministry has a five-year strategic and investment plan spanning from July 2014 to June 2018. This strategic plan was developed in line with the government’s Vision 2030 plan, taking into consideration the new constitution and other international health obligations. All departments had their strategies captured in the Ministerial Strategic and Investment Plan 2014-2018 (MSP) from which they formulate annual operational plans. It was further revealed that the MSP is reviewed after every two years, constituting a mid-term review.

All interviewees admitted that strategies adopted to deal with the general environmental challenges including those of devolution varied depending on circumstances. There were situations in which the MOH responded reactively while there were instances in which it had been proactive in its strategies.

“Because of the nature of devolution, there is proactive response. Managed Equipment Services was not due to challenges. We also conduct training needs assessment for all counties. We are proactive in terms of capacity building, equipping and reporting.” (HOD: Administration).

The ministry has proactively initiated the Managed Equipment Services (MES) and the slum upgrading project (HoD of Administration and HoD Curative and Rehabilitative Health Services). The MOH has however reacted to the following issues: referral out of the county procedure; and need to decentralize National Blood Transfusion centres after the county governments asked for them (Head of Curative and Rehabilitative Services Department).
4.3.1 Strategic Alliance

A strategic alliance is a collaborative arrangement where two or more organizations share resources and activities to pursue a strategy. Public sector organizations can enter into partnerships with other organizations in form of strategic alliances in order to address a particular social outcome (Johnson et al., 2008). This study sought to find out whether the MOH had entered into collaborative arrangements through strategic alliances with county and other organizations for the purpose of dealing with the challenges of devolution. All the interviewees stated that the MOH had pursued some collaborative arrangements. The strategic alliances cited were in: infrastructure and equipment improvement through Managed Equipment Services (MES); improving child and maternal health through the Beyond Zero Campaign; enhancing intergovernmental relations and coordination through Health Sector Intergovernmental Consultative Forum; and capacity building through Funzo Kenya project.

Desk review findings from the MOH website revealed that the Managed Equipment Services was conceived with the main objective of upgrading the infrastructure of county and sub-county hospitals in terms of equipment. MES is a partnership involving the MOH, county government and private contractors. The MES project targeting two hospitals in each county to benefit from specialized medical equipment. Under this arrangement, the MOH was to mobilize resources and procure the equipment which the county governments were to ensure that the necessary infrastructure was in place and pay for the lease as per the terms contained in the memorandum of understanding (MOU). It was envisioned that MES project would contribute to enhanced access to health services to all Kenyans at affordable rates. The MES
The project was to cover six key areas: dialysis, emergency, maternal-child health, basic and advanced surgery. The equipment were categorized into seven lots; theatre, sterilization, laboratory, dialysis (renal), intensive care unit (ICU) and radiology. The projected cost of the MES project was Ksh 38 billion. The MOU was signed by all the governors of the 47 counties and the Cabinet Secretary MOH. The project has been rolled out to all counties despite earlier challenges in getting buy-in from some governors (GoK, 2016).

Secondary data gathered from the MOH website further revealed that the ministry had entered into a strategic alliance with General Electric Healthcare (GE) in 2015 to modernize the radiology infrastructure across the country (GoK, 2016). This partnership falls under the MOH’s flagship project of Managed Equipment Service. In this arrangement, GE is expected to provide a comprehensive package in advanced technologies and capabilities in design and software. The package also includes skills development and capacity building of health care personnel in all the counties.

The interviewees also mentioned that the MOH had partnered with the Office of the First Lady of Kenya in the Beyond Zero Campaign. Findings from document review established that the beyond Zero Campaign initiative was launched in January 2014 by the First lady of Kenya aimed at ensuring zero new HIV infections among children (GoK, 2013). The strategy was to provide each county with one mobile clinic to offer integrated maternal and child health services. Both the MOH and Office of the First Lady were to mobilize the relevant resources from donors for the initiative under the national leadership of the Cabinet Secretary MOH. The First Lady was to be the lead champion of the campaign while MOH
was to offer technical advice; mobilize support and resources; and enhance advocacy activities. This initiative aimed to address some of the gaps the counties were having in providing maternal and child health services.

The research findings unveiled Health Sector Intergovernmental Consultative Forum as a platform on which county governments and MOH interact in a bid to address issues and challenges in the health sector health. This can be viewed as a strategic alliance formed for the purposes of enhancing coordination and proper functioning of health at both levels of government. Technical working groups are established to deal with specific thematic areas. These consultative forums have been reviewing the best ways of tackling the human resource challenges including the issues of internship, pension for health care workers and inter-county transfers. The areas also addressed include funding mechanisms, clarity of roles of both tiers of government, procurement of health products and technologies, and managing health information systems among others.

“The department of Health Sector Coordination and Intergovernmental Affairs works closely with other departments in harmonizing trainings at county level. This involves developing a common curriculum. Focal persons from different departments have a common schedule for county activities to ensure efficient utilization of resources and for harmonization of activities. The department of intergovernmental affairs maintains information communication repository for other departments to communicate with the counties. Any department wishing to engage the counties has to involve this department.” (HOD: Health Sector Coordination and Intergovernmental Affairs).

The interviewees further described that the MOH has collaborated with other partners like IntraHealth International through its Funzo Kenya project to build capacity of healthcare workers across the country. The MOH has also partnered with the Kenya Red Cross and St
John’s Ambulance to carry out functions related to disaster management in the counties as need arises.

4.3.2 Joint Venture

Joint ventures are forms of collaborative arrangements where organizations remain independent but set up newly created entities jointly owned by the parents. Joint ventures have been preferred in situations where foreign organizations provide technology, management expertise and finance while the local organizations provide labour and entry into the market (Johnson et al., 2008). In the course of the interview a respondent highlighted that the MOH and JICA collaborated in initiating a project that will enhance the capacity of all the 47 counties in terms of strengthening health systems. The Organizational Capacity Development Project for Management of the Devolved Health Systems in Kenya (OCADEP) was thus formed as a joint venture between the MOH and JICA.

Further research from JICA website (JICA, 2015) established that Organizational Capacity Development Project for Management of the Devolved Health Systems in Kenya (OCADEP) is a five-year project running from November 9, 2014 to November 8, 2019. The overall goal of the project is to have devolved health systems strengthened to ensure equitable and quality services in achieving Universal Health Coverage in entire Kenya. The purpose is to strengthen managerial functions of County Health Management Teams. The obligations of the MOH included assigning of personnel, office space/facility, machinery and some funding while JICA was to dispatch experts, train Kenyan personnel and procurement of office
equipment. The project has a secretariat based at the Ministry of Health headquarters in Nairobi.

4.3.3 Outsourcing strategy

To concentrate on core competences, some organizations opt to farm out some of their business functions (Johnson et al., 2008). Interviewees were asked on instances where the MOH had outsourced some of its activities. All respondents highlighted that indeed the MOH has outsourced some of these functions: trainings, information technology, installation and servicing of specialized equipment. The Kenya School of Government (KSG) trains senior health managers including health managers from the counties. The MOH pays Kenya School of Government to train the personnel on its behalf. These trainings are geared towards building their capacity in leadership and governance. Strategic Leadership and Development Programme is one such training targeting senior managers.

Further desk review revealed that General Electric Healthcare has partnered with the MOH to train personnel who will operate the installed radiology equipment under the MES (GoK, 2016). These personnel are drawn from those health facilities from the counties identified prior for infrastructure improvement. To this end, General Electric Healthcare has constructed GE Training Centre targeting to improve skills and knowledge of over 10000 medical practitioners from Kenya and East Africa by 2020. The capacity building will improve diagnosis and management of health conditions leading to improved health service delivery.
4.3.4 Market Penetration

Organizations desiring better returns at low risk pursue market penetration strategies to gain market share by exploiting their superior resources and competencies and utilizing their current strategies (Johnson et al., 2008). This study sought to find out instances in which the MOH had adopted market penetration as a strategy to deal with challenges of devolved health services. The interviewees elaborated that the MOH is involved in intensive engagement with the private sector in strong Private-public Partnership PPP dialogue to create an enabling environment for private sector to set up partnerships functions in terms of providing other services like cleaning, payroll management and catering. An interviewee further added that by engaging the private sector, counties will be encouraged to outsource non core activities and concentrate on their core functions of health care service provision. This is hoped to eventually lead to enhanced access to healthcare services by many people.

The findings from both desk reviews and interviews established that the MOH has considered advocating for greater allocation of funds to both national and county governments as a way of addressing financial inadequacy. This can be done by fundraising through private-public partnerships and through donors. In addition, both levels of government to have capacity enhanced on efficient and effective resource allocation and utilization (GoK, 2014).

4.3.5 Market Development

Market development strategy is pursued by organizations when current markets are saturated and when organizations spot new opportunities for: geographical expansion, entering new
segments or new uses by exploiting existing products (Johnson et al., 2008). In the interview, the head of department of Curative and Rehabilitative Health Services described Slum Upgrading project as a strategy the MOH had designed to take primary healthcare services to those residing in informal settlements in major urban areas in Kenya. The MOH had mapped slums in Nairobi and other major towns of the country. The ministry had already procured containers that would serve as service delivery points. These health facilities were to be equipped with essential medical supplies and staff recruited to provide primary health services. After two years the facilities will be handed over to the county governments. This is one way the ministry is providing already existing services but to another segment of society.

“Slum upgrading. We have mapped out all slums in the country. Twenty in Nairobi and eighty in the remaining towns of Kisumu, Mombasa and Nairobi. We have procured containers, will employ health care workers, purchase drugs then counties take over after two years.” (HOD: Curative and Rehabilitative Services).

Review of the Ministerial Strategic and Investment Plan of 2014-2018 revealed that the MOH strategy on infrastructure is to facilitate development of infrastructure by equipping health facilities in slum areas and construction of Model Level 4 Hospitals. This strategy is also one of the ministry’s Medium Term Plan II flagship project in line with Vision 2030. The MOH targets construction of at least twenty health centres by 2017 to improve access of health services in slum areas.

4.3.6 Product Development

The product development strategy is where organizations seek ways of providing modified or new products to the current markets by using their capabilities and exploiting their knowledge of customer needs (Johnson et al., 2008). In this study, interviewees outlined that
the MOH had facilitated the counties to implement the free maternity policy. This finding was supported by desk review conducted which established that the new policy requires that all women who fall pregnant could access comprehensive maternal health services in any accredited public health facility (GoK, 2016). Under this arrangement, the MOH reimburses dispensaries and health centres at a rate of Ksh 2500 per client attended to, Ksh 5000 to county hospitals while national referral hospitals receive Ksh 17500. Pregnant women going to public health facilities receive antenatal, delivery and post partum services free of charge. This is currently being transitioned to National Hospital Insurance Fund (NHIF) to manage the fund.

The interviewees further mentioned Health Insurance Subsidy Programme (HISP) for the poor as a strategy the MOH was implementing to ensure universal quality health coverage. This MOH flagship project targets the economically disadvantaged individuals in the society to access health care and in a way improve the revenue of the counties by reducing the waivers previously given. Desk review data (PS Kenya, 2016) describes HISP as a program piloted in 2014 through financing by the World Bank but implemented by MOH through NHIF. The program initially targeted 500 households of the poorest of the poor per county, as beneficiaries identified by the Ministry of Labour, Social Security and Services. These households were issued with both inpatient and outpatient insurance cover at no cost and their family members were free to access services from NHIF accredited public health facilities.
The interviewees also mentioned some other new products and services the MOH had introduced to address devolution challenges. For instance, to improve infrastructure and service delivery, the MOH had procured and installed magnetic resonance and imaging (MRI) services to some county referral hospitals as part of MES. Document review of the MSP (GoK, 2014) established that the MOH planned to equip 94 hospitals through equipment lease by 2015. The interviewees further stated that the ministry was pursuing approval of policy and enactment of current Health Bill 2016 which will further clarify structures and roles of both levels of government among other issues.

4.3.7 Diversification Strategy

Diversification as a strategy is high risk and it entails developing new products for new markets to achieve growth or even manage risks (Johnson et al., 2008). Interviewees were asked to describe any situations in which the MOH had created new services in previously unreached areas and or populations. The interviewees highlighted that plans are in place by the ministry to introduce other services previously unavailable. Dialysis is a new service targeting renal failure patients who were previously unserved by the county hospitals. Through the MES this service has been introduced in county referral hospitals. Clients requiring dialysis can access those services from county referral hospitals covered by NHIF. An interviewee mentioned that there were also plans to set up cancer diagnosis and treatment centres including outreach programmes in the counties. This was aimed at improving diagnosis and critical care management that was initially lacking.

“We want better diagnosis and critical care in renal. Imaging services like mammography and OPGS not initially there. We will improve ICUs, theatre and theatre equipment.” (HOD: Curative and Rehabilitative Health Services).
4.3.8 Operational Strategies.

The operational strategies focus on how the various functions of an organization carry out effectively the corporate and business level strategies in terms of resources, processes and people (Johnson et al., 2008). The study sought to identify the various operational strategies departments in the MOH have used to deal with challenges of devolved health care services. An interviewee stated that the Department of Curative and Rehabilitative Services had embarked on procuring specialized equipment in radiology and renal units to the county and national referral hospitals. This is aimed at enhancing access to specialized treatments and improving diagnosis and management of diseases. This will attempt to addresses challenges of referrals by reducing the need to move clients out of their counties. The department also pursues other operational strategies such as training, development and review of policy guidelines.

“As a department, we implement referral strategy. Build capacity of counties. Equipped 20 hospitals with MRI machines. Expand anaesthetists by having trainings. Also training renal nurses. We review and develop guidelines and policy documents. There is intergovernmental forum to discuss issues. We are also involved in slum upgrading to provide services to slum areas.” (HOD: Curative and Rehabilitative Services).

An interviewee stated that the Department of Administration Services undertakes capacity building activities in training health care staff in relevant human resource issues. It also partners with other organizations like Funzo Kenya to build capacities of counties as a way of addressing human resource challenges at the counties. Desk review of the ministerial strategic plan (GoK, 2014) established that the department aims to strengthen management of human resource at both national and county governments by: developing relevant policy guidelines; reviewing schemes of service of staff; developing incentive framework for
retention of human resource for health in hard to reach areas; and also by having in place reward and sanction framework in place for all healthcare workers. The department is further engaged in upgrading the information and communication systems by incorporating modern technologies. To this end it strategizes to train both county and national staff in ICT with a view of addressing communication barriers between the two levels of governments.

The Department of Policy, Planning and Healthcare Financing indicated that there are operational strategies that they adopt to address challenges of devolved health care services. Holding consultative meetings with the private sector in public private partnerships to enable them support county governments in service provisions.

“We do capacity development in relevant areas. How to engage private sector to enable them expand services to people. Private sectors to undertake non core functions. Counties to outsources services like cooking, cleaning. Capacity building of counties in other functions is also done.” (HOD: Policy, Planning and Healthcare Financing).

The interview unveiled that the Department of Health Sector Co-ordination and Intergovernmental Affairs pursues strategies that address challenges related to managing intergovernmental relations and issues. It is involved in coordinating with other departments in compiling a common schedule to be followed in engaging with the county governments. It convenes consultative meetings with county governments in addition to keeping information, communication repository. Document review of the Ministerial Strategic Plan revealed that this department set out to establish technical working groups that would address intergovernmental health related issues and challenges. It also holds annual policy dialogue between county government and private sector. The department is involved in policy
formulation with reference to inter-governmental guidelines and also coordinates and conducts capacity and training forums.

4.4 Discussion of Findings

This study was anchored on the Environment Dependency Theory (Ansoff and Sullivan, 1993) and the Contingency Theory (Negandhi and Reimann, 1972) which the research findings support. The EDT posits that the success of an organization is hinged on aligning both the strategic aggressiveness and general management capability of the firm to the environmental turbulence levels being experienced (Ansoff and Sullivan, 1993). The MOH still experiences challenges in addressing issues of devolution with some of the approaches like procurement of medical equipment for the counties experiencing earlier resistance from some counties. Human resource challenges faced by counties could depict asymmetry of strategic aggressiveness behavior and management capability with that of the environmental turbulence level being encountered.

The findings also support the Contingency Theory which asserts that optimal organizational performance can be gained by selecting the organizational and functional models which are consistent with the prevailing environmental circumstances (Dózsa, 2010). Counties in Kenya are unique and require custom made strategies that suit their circumstances. The Health Sector Intergovernmental Consultative Forum as a collaborative arrangement sieves out common and unique county issues that can be tackled. The varying strategies adopted by the MOH attest to the fact that situations are different and therefore call for different approaches in managing them.
There are instances though that the MOH had not resonated well in accordance to the realities of devolution. The delays in capacity building of both national and county staff to manage the devolution process in health led to challenges that were being experienced at the beginning. The pension issue of devolved health staff still remains unresolved due to a lag in having appropriate legislative framework in place. The Kenya Health Sector Referral Strategy that guides counties on referral process was launched more than one year after devolved governments were established (GoK, 2014). The lag on the part of the MOH in fitting with the environmental dictates cannot be construed as a contradiction to both EDT and Contingency Theory. The research findings of this study therefore, were not able to reveal areas contradicting both theories presented.

The interviewees in this study described the challenges the counties were facing to include: inadequate capacity and frequent industrial strikes by health care workers; inadequate infrastructure for health; weak inter-county collaboration; challenges in procurement of health products; financial constraints and delays; weak health information systems; and also leadership and governance gaps. These findings are congruent to those of Awuonda (2015) which established that the main challenges of devolution include inadequate financing and budgetary allocations from the central government; inadequate health infrastructure; inadequate human resource for health; poorly established ICT system at the department of health leading to poor coordination of functions with the hospitals; a bureaucratic county organization structure that lacks clear linkages with health facilities and capacity gaps in leadership. The study by Awuonda (2015) focused on Kisumu County and was able to
establish detailed challenges from health facilities compared to my study which established devolution challenges as from the perspective of the MOH at the national government. The challenges are broadly similar given that the MOH findings incorporated information from all the 47 counties.

The MOH recognizes some of the environmental challenges and has outlined some strategies to counter their negative impacts. Strategic alliance, outsourcing, joint venture, market development, market penetration, product development, diversification and department-specific operational strategies have been pursued by MOH in seeking fit with the external environment. These findings relate to those of Imbuye (2012) that established diversification, market development, product development and collaboration with local and foreign institutions as some of the strategies adopted by the Aga Khan University Hospital in mitigating the challenges of the brain drain phenomenon. Mathooko and Ogutu (2014) in their study revealed that diversification, strategic alliances, outsourcing and joint ventures were strategies public universities used to cope with changing environmental challenges. The findings are further supported by Dumitrescu and Scalera (2012) who established that diversification and strategic alliances have been successful strategies pursued by MNEs in considering market penetration and development into foreign countries.

Bett (2011) indicated that outsourcing, restructuring, new technology, cultural change and product development were the strategies pursued by Kenya Post Office Savings Banks in addressing environmental challenges. Cultural change as mentioned by Bett (2011) did not emerge as one of the approaches the MOH was considering although one interviewee did
indicate that the MOH was still in denial as regarding the realities of devolution. Though the studies display some similarities in generic strategies, it should be noted that the contexts are different and so is the operationalization of the strategies.

Inadequate human resource capacity both at the national and county governments was identified as a key challenge in the devolved health system. Muchomba (2015) demonstrated that counties were ill prepared in terms of capacity to handle the functions of devolution. The MOH has partnered with organizations that can assist in building capacity of human resources. The MOH departments have also incorporated capacity development activities in their operational plans to address challenges of devolution. The Organizational Capacity Development Project for Management of the Devolved Health (OCADEP) is a joint venture of MOH and JICA that aims at building capacity of national and county teams. It is envisioned that the project will lead to enhanced coordination arrangements and managerial support roles in the national level; enhanced managerial and leadership capabilities and capacities in county health management teams (CHMTs); and strengthened horizontal learning mechanism among and within CHMTs. This echoes the study of Kimare (2013) where MP Shah Hospital adopted trainings as a strategy to build skills of its managers and other employees.

Collaboration through the health sector intergovernmental consultative forum is one approach the MOH has taken to address devolution health challenges. Under this forum, consultative meetings are convened between national and county governments to discuss health and health related issues. Findings by Awuonda (2015) failed to bring out
collaboration with the Ministry of Health as a strategy the Kisumu County was using to address health challenges facing it. In fact, the county is avoiding KEMSA, one of the ministry’s agencies due to inefficiencies and was preferring other entities to supply them with medical products. The county was pursuing internal mechanisms geared towards giving it a firmer grip in managing its challenges. The only collaborative approaches adopted were with organizations within the county and outside the country.

Inadequate financing and delays in disbursement of funds to both MOH and county governments were identified as challenges delivering health services. The MOH strategy in raising additional funding is by advocating for more allocation and mobilizing more resources from partners. This slightly differs from strategy adopted by counties who focus on getting additional funding by raising their own revenue due to their statutory mandate (Awuonda, 2015). None of these studies has explicitly outlined strategies that can address delayed funding from the exchequer.

Desk review data revealed that the MOH has adopted ICT and continues to adopt new technologies in most of its operations and in all departments to enhance efficiency. This is in line with findings from a number of studies in which IT has been adopted as a strategy to address environmental challenges (Imbuye, 2012; Wason and Bichanga, 2014; Awuonda, 2015). The MOH adopts a combination of strategies in line with findings of Kitching and associates (2009) that established that firms adopt retrenchment, investment and ambidextrous strategies in dealing with environmental shocks.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study findings, conclusions and recommendations based on the data analysis conducted. The objective of the study was to determine the response strategies adopted by the Ministry of Health to challenges of devolved Health Services. The chapter further outlines the limitations of the study including suggestions for further research.

5.2 Summary of Findings

A majority of health service delivery was devolved to the counties following promulgation of the new constitution, but implementation began after the 2013 general election when the two levels of governments were established. The MOH experienced the following challenges resultant from devolution of health services: issues of human resource management; governance and leadership gaps; weak referral system; inadequate and inefficient health products and technology; financial constraints; weak health information system; bureaucracies involved in communicating with the counties; and challenges in coordination and interfacing with the counties. The challenges noted to be faced by counties were also similar and included: inadequate capacity to manage devolved health services; frequent industrial strikes by health care workers; inadequate infrastructure for health; weak inter-county collaboration; challenges in procurement of health products; financial constraints and delays; and weak health information systems.
The MOH has adopted strategies aimed at addressing challenges both at the national and county governments within their mandate. The strategies pursued include: collaborative arrangements through strategic alliance and formation of joint venture with key partners in health; outsourcing of services; market penetration; market development; product development; diversification; and department-specific functional strategies. These strategies are aimed at: building capacity of both county and national governments in health; addressing human resource challenges; improving infrastructure; strengthening referral systems; enhancing financial efficiencies in allocation and utilization; addressing health products and technology challenges; strengthening relationships, coordination and communication between two levels of governments.

5.3 Conclusion

Drawing from the key findings of the study, devolution is an environmental influence that has affected the status quo of the Ministry of Health in Kenya. Management and delivery of primary health care services shifted to the devolved government in the 47 counties. These counties present some common and unique health challenges to which the MOH has to address within its mandate without appearing patronizing. As the devolution discourse unfurls, there are still grey areas and pockets of overlap in functions and resources between the county governments and the MOH. There is however attempts by the MOH to continue discharging its new mandate as well as carrying out some functions that should be devolved. The MOH has pursued corporate, business and operational strategies geared towards improving access to health service delivery and building capacity of county governments to manage health care services. The strategies pursued include strategic alliances, joint venture,
outsourcing, diversification, product development, market penetration, market development and department-specific operational strategies. There are some challenges like pension management in which the MOH had not fully resolved. The findings further revealed some level of resistance by county governments to accept some of the MOH initiatives and strategies.

The research findings are consistent with other studies previously conducted. Organizations have adopted diversification, market development, product development and collaborative strategies in managing environmental upheavals (Imbuye, 2012; Dumitrescu & Scalera, 2012). Outsourcing, restructuring, new technology, cultural change and product development were the strategies pursued by Kenya Post Office Savings Banks in addressing environmental challenges (Bett, 2011). Strategic alliance is however decreasing in importance and outsourcing gaining more currency as a preferred strategy by Bulgarian firms in fitting with changing environmental trends (Hristova, 2015).

The findings generally support the Environment Dependence Theory (Ansoff and Sullivan, 1993) as the MOH has demonstrated some level of strategic aggressiveness behavior in dealing with challenges of devolved health services. The study however could not measure whether the strategies adopted were appropriate to the environmental turbulence levels being experienced and the general management capability. The success of the strategies could thus not be stated. The findings are also in agreement with the Contingency Theory (Negandhi and Reimann, 1972) in that establishing the right fit between an organization and its
environment is crucial for its survival. The MOH pursues strategies as it seeks to find its position and fit under the current health structure brought about by devolution.

5.4 Recommendations for Policy and Practice

This study sought to determine response strategies the MOH has adopted to address the challenges of devolved healthcare services. The research findings have implications in policy development and in managerial practice. Devolution process in Kenya is still evolving and challenges keep emerging. The challenge of unclear roles between levels of government needs urgent attention. The laws being enacted should delineate and clearly communicate the roles of the county governments and those of the MOH. To this end, there is urgency in enacting the Health Bill 2016 that will clarify the various roles in addition to addressing grey areas in healthcare service delivery. Managers should consider embracing collaborative strategies that enhance relationships and co-ordinations of functions resulting in superior results. The county governments should ensure that their top leadership lives to the letter and spirit of the Health Sector Inter-governmental Consultative Forum which is critical in corporately addressing healthcare challenges within the health sector. Managers at both levels of government should embrace the spirit of mutual trust, constant communication and eliminate unnecessary bureaucratic arrangements that hinder effective health service delivery.

Appropriate laws and policies are required to address the financing challenges experienced in the devolved healthcare services. More engagements of the Ministry of Health, the county governments and the Treasury should be considered in handling the delays and inadequate
funding the health sector encounters. Potential bottlenecks in delayed disbursement of county funds need to be identified early and relevant policies put in place to tackle them. County governments and national government should pursue innovative strategies of resource mobilization within the provided laws with a view of bridging the budget deficit. Other strategies aimed at cost cutting and efficient resource utilization should be considered.

The human resource challenge was highlighted to be an Achille’s heel in health care delivery under the devolved health systems. Clear policies should be enacted and implemented concerning the overall management of county health staff including recruitment, deployment, promotions, rewards, remuneration, trainings, discipline, transfers and retirement. Policy makers should employ strategies that strengthen delivery of health care services under devolution. Proper management of human resources for health requires that managers adopt practices and strategies that will attract, retain, develop and motivate health care workers. The county governments can continuously benchmark with each other to establish counties that have successfully managed their human resources and incorporate the best practices in their counties.

The MOH is mandated to offer policy direction in the health sector. The players in the sector should be guided by one overall health sector vision and this therefore calls for the MOH to provide leadership while at the same time recognizing the spirit of devolution. The onus is on the MOH to consider a cultural change in its organization to reflect the realities of devolution and adapt accordingly. The existence of the Kenya Health Sector Strategic and Investment Plan should be accompanied by monitoring and evaluation of its implementation with a view
of identifying challenges and successes. The strategies should constantly be modified to align to the prevailing environmental circumstances. This will reduce the reactive strategies the MOH has sometimes adopted as it tends to review its own strategic plan every two years.

5.5 Limitations of the Study

This study focused on response strategies the MOH had employed to deal with challenges of devolved healthcare services. The study was limited in that it was not able to ascertain to what extent these strategies had been successful in addressing the challenges highlighted. The study did not incorporate efficiency, effectiveness, relevance, feasibility, acceptability and sustainability of the strategies deployed. Moreover, the study limited itself to strategies related to: strategic alliances, outsourcing, diversification, mergers and acquisition, market penetration, market development and product development. The study further predominantly focused on strategies dealing with the challenges of devolution yet there are other environmental challenges that the MOH is confronted with. The study also experienced contextual limitation by the fact that it was only conducted within the Ministry of Health of Kenya. These findings are confined to the Ministry of Health in Kenya and cannot therefore be generalized to represent the entire health sector.

The study may be limited to the extent that there could have been individual biases in the responses received that the researcher was not able to control for. There was hesitancy by some respondents in utilizing the term “challenges of devolved healthcare services” as the MOH did not want to appear antagonistic to devolution. There could be a possibility that
some challenges were downplayed. This study was conducted at one point in time and hence confined its findings to strategies that were employed at that time.

5.6 Suggestions for Further Research

The Ministry of Health Kenya has adopted some strategies in order to address the challenges of devolved healthcare services in Kenya. Another study will be required to establish the efficiency, effectiveness, relevance, feasibility, acceptability and sustainability of these strategies. This is to assess the overall impact of the response strategies as relates to challenges of devolved healthcare services. The researcher proposes a study that will focus on strategies the MOH has deployed in response to other environmental challenges like economical, socio-demographic, ecological and technological.

There will be need to conduct studies in other contexts to determine the response strategies various organizations have adopted in dealing with challenges of devolved healthcare services. A study should be conducted to find out the strategies the county governments have adopted and compare across the counties and also with those of the MOH. Other studies specifically targeting the eight semi-autonomous government agencies in the MOH are required to shed light on the strategies they have employed in mitigating against the challenges of devolution. Still in the health sector, it is recommended that studies be done focusing on private and non-profit health institutions on the response strategies they have adopted. There is need to conduct studies in other ministries to establish the strategies they have utilized to counter devolution challenges. It will be interesting if a study is carried out in the Ministry of Finance to unearth the strategies it has adopted in addressing challenges of
devolved healthcare services. Inadequate and delayed funding of health services was cited as a challenge and the Treasury which is under the Ministry of Finance has the responsibility of disbursing funds based on approved budgets.

Other studies should consider adopting other methodologies. A survey within the MOH targeting more respondents would be an option in determining the strategies used as opposed to only interviewing the top management. This study was conducted at one point in time and therefore a similar longitudinal study can be done to establish the trends in strategies the MOH has adopted with regard to dealing with emerging health challenges brought by devolution.
REFERENCES


APPENDICES

Appendix 1: Interview Guide

The aim of the interview guide is to determine the challenges of devolved health services and the strategies adopted by the Ministry of Health to challenges of devolved health services.

PART ONE: DIRECTOR OF MEDICAL SERVICES

Section A: General Information

What is your total work experience in years in the organization?

What is your length of time in the current position?

Section B: Challenges of Devolved Health Services

1. What are the general challenges that affect operations at the Ministry of Health?
2. Following devolution of health services, describe the relationship of the Ministry of Health with the county governments.
3. What are some of the challenges the Ministry of Health is experiencing as a result of devolving health services to the counties?
4. What are some of the challenges the counties are facing as a result of managing devolved health services?
   i. leadership and governance
   ii. service delivery
   iii. health care financing
   iv. medical products and technologies
   v. information and research
   vi. health workforce

Section C: Strategies

5. Does the MOH have a strategic plan? If yes, how often is the strategy reviewed to reflect changes in the environment?
6. Are there any action strategies being pursued by the Ministry of Health to respond to challenges of devolved health services? Please describe.
7. Corporate and business strategies
i. Strategic alliances: are there any ways in which the MOH has entered into collaborative arrangements with the county governments or any other organization for the purpose of addressing the challenges of devolution? Please describe

ii. Mergers and acquisition: are there any instances in which the MOH has taken over the operations of a facility, organization, institution that was previously devolved to the county? Please explain

iii. Outsourcing: are there occasions in which the MOH has outsourced activities with a view of mitigating challenges of devolved health services? Please describe

iv. Market penetration: has the MOH increased its services and products to the existing customers/target market in response to devolved health services issues? Please expound

v. Market development: has the MOH expanded its population of service to include other segments of the population as a way of addressing challenges of devolved health services? Please describe.

vi. Product development: has the MOH developed and initiated any new services, products, activities and functions to the current market in responding to challenges of devolved health services? Please describe

vii. Diversification: has the MOH initiated new services and products to new places or segments of communities that were not initially served. Please explain

8. Does the MOH respond to the changes in the environment proactively or reactively? Explain

Thank you for your participation
PART TWO: HEADS OF DEPARTMENTS

Section A: General Information

1. Name of department

2. What is your designation in the department?

3. What is your total work experience in years in the organization?

4. For how many years have you served in your current position?

Section B: Challenges of Devolved Health Services

5. What are the general challenges that affect operations at the Ministry of Health?

6. Following devolution of health services, describe the relationship of the Ministry of Health with the county governments.

7. What are some of the challenges the Ministry of Health is experiencing as a result of devolving health services to the counties?

8. What are some of the challenges your department is experiencing as a result of devolving health services to the counties?

9. What are some of the challenges the counties are facing as a result of managing devolved health services?

Section C: Response Strategies

10. Does the MOH have a strategic plan? If yes, how often is the strategy reviewed to reflect changes in the environment?

11. Are there any action strategies being pursued by the Ministry of Health to respond to challenges of devolved health services? Please describe

12. Corporate and business strategies

i. Strategic alliances: are there any ways in which the MOH has entered into collaborative arrangements with the county governments or any other organization for the purpose of addressing the challenges of devolution? Please describe

ii. Mergers and acquisition: are there any instances in which the MOH has taken over the operations of a facility, organization, institution that was previously devolved to the county? Please explain
iii. Outsourcing: are there occasions in which the MOH has outsourced activities with a view of mitigating challenges of devolved health services? Please describe

iv. Market penetration: has the MOH increased its services and products to the existing customers/target market in response to devolved health services issues? Please expound

v. Market development: has the MOH expanded its population of service to include other segments of the population as a way of addressing challenges of devolved health services? Please describe.

vi. Product development: has the MOH developed and initiated any new services, products, activities and functions to the current market in responding to challenges of devolved health services? Please describe

vii. Diversification: has the MOH initiated new services and products to new places or segments of communities that were not initially served. Please explain

13. What are some of the strategies your department is pursuing in response to challenges of devolution?

14. Does the MOH respond to the changes in the environment proactively or reactively? Explain

Thank you for your participation
## Appendix II: Desk Review Form

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Appendix III: University Introductory Letter

TO WHOM IT MAY CONCERN

The bearer of this letter Onyango Elizabeth Awino

REGISTRATION NO: D61/65824/2013

The above named student is in the Master of Business Administration Degree Program. As part of requirements for the course, he/she is expected to carry out a study on “Response Strategies adopted by the Ministry of Health to challenges of devolved Healthcare Services in Kenya”. He/she has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

DR. NIXON OMORO
ASST. COORDINATOR, SOB, KISUMU CAMPUS

CC. File Copy

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Appendix IV: Request Letter

ONYANGO, E. A.
P.O BOX 496-00202,
NAIROBI.
25TH JULY, 2016

THE PRINCIPAL SECRETARY,
MINISTRY OF HEALTH,
P.O BOX 30016-00100,
NAIROBI.

THRU,
THE DIRECTOR OF MEDICAL SERVICES,
MINISTRY OF HEALTH.

RE: AUTHORITY TO COLLECT DATA

I am currently pursuing a Masters of Business Administration (MBA) in Strategic management, from the University of Nairobi. In partial fulfillment of the requirements for the award of MBA degree, I would like to conduct a research project on response strategies adopted by the Ministry of Health to challenges of devolved healthcare services in Kenya. This is a case study that will seek to collect primary data from top management of the ministry using interview guides. I kindly request your permission to collect relevant data through personal interviews. The information generated by the research will be treated with strict confidence and is strictly for academic purpose only. Upon request, a copy of the final report will be made available.

Attached is an introductory letter from the University of Nairobi for ease of reference and also interview guides. Your response and cooperation in this matter will be highly appreciated. Thank you in advance,

Yours faithfully,

ONYANGO, E. A
D61/65824/2013
Appendix V: MOH Authority Letter

MINISTRY OF HEALTH
OFFICE OF THE DIRECTOR OF MEDICAL SERVICES

Telephone: Nairobi 254-020-2717077
Email: dpphs.moh@gmail.com

When replying please quote:

Ref: MOH/HRD/1/(40) 3rd August 2016

Ms. Elizabeth Onyango Awino
University of Nairobi
School of Business-Kisumu Campus
P O Box 19134-40123
KISUMU

Dear Elizabeth

RE: REQUEST FOR AUTHORITY TO COLLECT DATA FROM MINISTRY OF HEALTH

Your letter dated 25th July 2016 refers:-

Your request to collect and access data from the Ministry of Health Head Quarters has been approved.

In cases where individual interviews will be done, personal informed consent from respondents should be sought.

Upon completion of the research, this office will appreciate to receive a copy of the research report.

Yours sincerely

Dr. Kioko Jackson K., OGW
DIRECTOR OF MEDICAL SERVICES
Appendix VI: Turnitin Report

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**Primary Sources**

1. chss.uonbi.ac.ke
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   - 1%

2. Submitted to Laureate Higher Education Group
   - Student Paper
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3. www.jica.go.jp
   - Internet Source
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8. countryoffice.unfpa.org
   - Internet Source
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