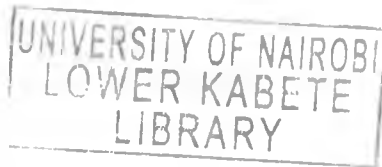


**CHALLENGES FACING IMPLEMENTATION OF PUBLIC HEALTHCARE  
FINANCING STRATEGIES IN KENYA**

**BY**

**SHADRACK W. GIKONYO**

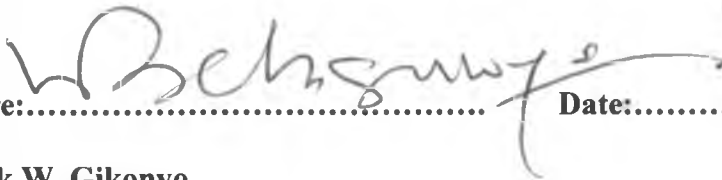


**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENT OF MASTER IN BUSINESS ADMINISTRATION, SCHOOL  
OF BUSINESS, UNIVERSITY OF NAIROBI**

**OCTOBER, 2011**

# DECLARATION

This project is my original work and has never been presented for a degree in any other university.

Signature:.....  ..... Date:..... 2/11/2011.....

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This project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

I wish to dedicate this work to my lovely daughter Nicole Wanjiku.

## **ACKNOWLEDGEMENTS**

I wish to thank all who have made this work possible. I acknowledge the head of the Division of Healthcare Financing at the Ministry of Medical Services Mr. Sam Munga. I would also like to thank the heads of level V hospitals for taking time off their busy schedules to give me information vital to making this work possible. Last but not least, I acknowledge the support and guidance of my supervisor, Dr. Z. B. Awino who has at all times been available to guide me through the project

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## ABSTRACT

The study was set to determine facing implementation of public healthcare financing strategies in Kenya. The objective of the study was to establish the challenges faced in the implementation of public healthcare financing strategies in the Kenya. The study adopted a case study research design within the Ministry of Medical Services. This method was most appropriate because it examined strategies already in place, the study units were also be able to provide more information. The study will aim at collecting information from respondents on their views and opinions in relation to challenges facing implementation of healthcare financing strategies in the Kenya. Primary data was collected using an interview guide. The data was analyzed using content analysis to establish the challenges faced in the implementation of public healthcare financing strategies in the Kenya. The study found that organizational system and procedures, culture and traditions, technology, leadership, human resources and funding were the main challenges faced in the implementation of public healthcare financing strategies in the Kenya. Legal framework was not a major challenge faced in the implementation of public healthcare financing strategies in the Kenya. Of the key challenges facing the implementation of public healthcare financing strategies in the Kenya, the study found out that the ministry has put in place measures to control them, that is, human resources challenges (employing more staff either on casual or permanent basis and capacity building through training), leadership challenges (ministry has liaised with donors to train members of Hospital Management Team (HMT) and also carried out country wide training of managers on leadership skills), organizational system and procedures (training hospital managers, put in place proper systems and use of committees in decision making process) and culture and tradition (ministry has organized training meeting focusing on customer care, introduced service charter, employed people with right skills, initiated transfer of officers from one work station to another and introduced grants and HMSF)



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the study

According to the World Health Organization, a good healthcare financing system is one that raises adequate funds for health, in a way that ensures people can use needed services, and are protected from potential catastrophe or impoverishment associated with having to pay for them. In a publication by the WHO in 2007 titled, *Everybody's business, strengthening Health Systems to Improve Health Outcomes*, Healthcare financing systems should achieve universal coverage in a way that encourages provision and use of an effective and efficient mix of personal and non-personal services.

The world Health organisation's Framework for action (2007) has laid down the six building blocks to a good healthcare system and the expected outcomes if the building blocks are in place. Different avenues for financing healthcare in country can be developed and this depends on the circumstances for the country and its priority

### 1.1.1 Implementation and challenges of strategy

Implementation of a strategy can be faced by a number of challenges. According to Manyarkiy (2006) cited some of the challenges in his project on challenges facing middle level managers in the implementation of Corporate Strategies at the National Social Security Fund, some of those factors included poor coordination. He argues that when there is poor coordination and communication between the top management and the middle level managers who are usually more involved in the implementation process, the implementation of strategies is likely to fail.

Manyarikiy also cites lack of employee skills as a big hindrance to the implementation of strategies. Strategy implementation must involve people at the various levels of the process. Their buy-in will greatly increase the chances of success of a strategy. Availability of resources is a prime factor in the success of implementing a strategy. Although formulation of a strategy may not be a costly process, successful implementation calls for proper training, coordination monitoring and taking corrective action in a timely manner for it to be successful. Many organisations fail in the implementation of strategic plans by not tying the implementation to a budget.

According to Malusi (2006) in his work on strategy development and its challenges in Kenyan public corporations, a case study of the National hospital insurance fund. He cites resistance to change as a source of failure in the development and implementation of a strategic plan. A number of factors could lead to resistance to change. For example the fear of losing employment, protecting of informal groups protecting vested interests. Furthermore, people have an inherent fear of the unknown. He also observes that organizational politics and poor organizational culture could lead to failure of the strategy formulation and implementation process. While strategy formulation may not be as complex, changing the way that employees have always gone about their work may be challenging. Strategy implementation thus needs not only to be inclusive, but also a reassuring process to the staff to get their support.

In the implementation of a strategy, managers may find themselves frustrated by cumbersome and bureaucratic procedures. This is not only likely to slow down the

implementation process but it may also likely to cause the managers to loose motivation and thus failure of the process. The procedures in an organisation are closely linked to the organisational structure. An organisation with a flat structure may find it easier to implement a strategy than an organisation with a long reporting process. Lack of proper leadership is a major cause of failure in the implementation of a strategic plan. A simple definition of leadership is that leadership is the art of motivating a group of people to act towards achieving a common goal. A leader possesses combination of personality and skills that make others want to follow his or her direction. If there is poor leadership, then the implementation of a strategy is most likely to fail.

Lack of employee skills, abilities and knowledge was also cited by Manyarkiy as a barrier to implementation of strategies. Whenever an organisation intends to implement new processes or technology, it must dedicate itself to impacting the necessary skills on the employees to enable them to perform. An organisation must also invest in a structured monitoring and evaluation system for its strategic plan to be effectively implemented. While the introduction of monitoring and evaluation is usually perceived as a way of monitoring the employees other than the system, at this stage the organisation must inform the employees that the purpose of the monitoring and evaluation process will be to check what is not working effectively and take corrective action. The employees should in fact be motivated to point out whatever they perceive either redundant or ineffective.

Manyarkiy adds that negative corporate image can be a barrier to the implementation of a strategic plan. Companies are open systems, they get inputs from the environment, take

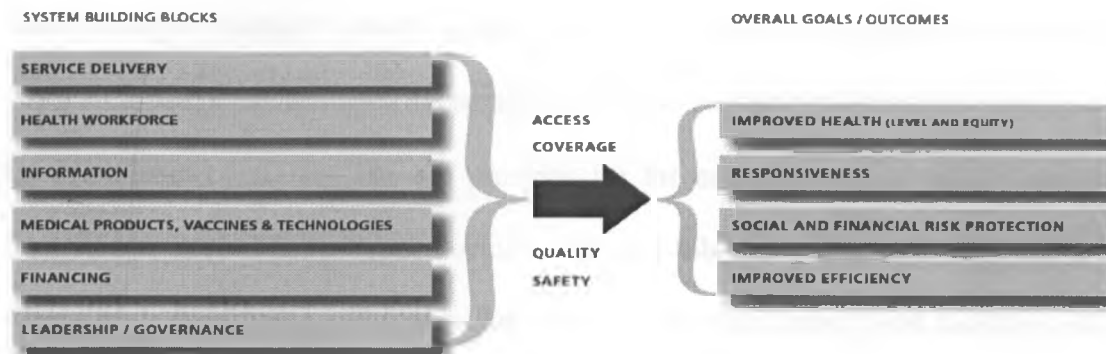
them through processes and their output goes to the consumers of their services or goods. The public perception of the company greatly affects the implementation of the organisations strategic plan both in terms of the pace and the efficiency. For any organisation to succeed in implementing a strategic plan, there must be deep commitment on the part of the top management, and the support to those implementing the plan must be fast and adequate whenever it is called for. This may not be forthcoming in many cases and compromises the implementation of strategic plans.

On occasions, it is important to identify staff that are very much in support of the implementation process and let them lead the implementation. This is likely to bring a sense of ownership to the staff. Some incentives must also be given to the high achievers as a motivation. Staff may be looking at the strategic plan and asking “what is in it for me?” The top management must therefore show how the plan will impact on the staff if the implementation is to be a success. Occasionally, a strategic plan is implemented without timelines. This makes monitoring and evaluation difficult. Organisations must therefore link a strategic plan to clear, challenging but achievable timelines.

Lastly, one of the common cause’s challenges to the implementation of a strategic plan is incompatibility of the strategic plan with organisation’s systems or resources. An organisation may hire the services of an expert to draft a strategic plan. There is a possibility that there is no deep understanding of the organisations systems and capabilities. This is likely to frustrate the implementation process.

## 1.1.2. Public healthcare financing in Kenya

Healthcare financing involve collection of funds, pooling of the funds and procurement of the services. According to the World Health Organization, sound health care financing is one of the six pillars of a healthcare system.



*Adopted from world Health organisation's Framework for action (2007)*

A sustainable healthcare is a key objective of any governments and all governments endeavour to provide these services to the population. This objective is however more often than not frustrated by the high cost of health care. Governments strive to ensure that the high cost involved in provision of universal healthcare does not compromise provision of other services to the population or even cripple the economy. In many third world countries for example, the demand for health services is on the rise due to increasing population growth and deaths associated with treatable diseases in on the rise.

While accepting the instruments of power from the colonial government in 1963, the first president of the Republic of Kenya declared disease as one of the greatest enemies of the newly independent nation. The president pledged his new government's commitment to eradicating this enemy. While many efforts have been made to realise this, today, 46 years after attaining independence, Kenya is far from achieving a sustainable healthcare system.

Kenya's initial action to increase resources to finance health care came in 1966 when the Government of Kenya (GOK) created the National Hospital Insurance Fund (NHIF). NHIF is financed through contributions through the payroll system from formal sector workers who earn Kshs. 1,000 and above per month. An attempt to extend to the informal sector through multiple marketing approaches including the cooperative movement and Jua Kali artisans has not been successful. The 1966 Act was subsequently replaced with the NHIF Act of 1998. The act provides for the extension of the health package to include outpatient health costs, doctor's fees and laboratory investigations and for the extension of health insurance to health centres and other lower level facilities yielding enhanced access and higher standards of the healthcare services, though in practice the scheme is still limited to paying for inpatient care.

Health care was free in Government health facilities since independence until 1989 when Government introduced user fees in the public health sector under the Structural Adjustment Program due increased demand for health care and the rising cost of providing health care. At the inception of cost sharing program, it was recognized that charging user fees would lead to make health services inaccessible to the very poor. Waivers and Exemption were subsequently introduced to cushion the poor and vulnerable. However, the waivers and exemption policy has not attained its objective and has therefore not enabled the poor and vulnerable access health care.

Kenya Vision 2030 is the long term development plan for the country. It is against the Vision 2030 that Medium-Term Plans and budget priorities for the social and economic

transformation are prepared and judged. The Ministry of Medical Services Strategic Plan aligns its objectives to the achievement of the Vision 2030 but the realization of the objectives faces one major constraint: financing. This can be seen from table 9.5 of the strategic plan.

**Table 1.1. Estimated funding gaps KSh Millions**

| <b>Category</b>      | <b>2009/10</b> | <b>2010/11</b> | <b>2011/12</b> | <b>Total</b>  |
|----------------------|----------------|----------------|----------------|---------------|
| Equipment            | 2,053          | 2,037          | 2,078          | 7,826         |
| Human Resources      | 15,717         | 19,470         | 23,937         | 59,124        |
| Infrastructure       | 2,109          | 2,194          | 1,602          | 6,430         |
| Specialized material | 4,966          | 5,706          | 6,560          | 17,231        |
| <b>Grand total</b>   | <b>24,845</b>  | <b>29,407</b>  | <b>34,177</b>  | <b>90,611</b> |

*Adopted from Ministry of Medical Services, healthcare financing Strategy 2010-2012*

These deficits in financing are present after the government has factored in the grants it expects from its donors as follows

**Table 1.2 Expected donor support to Kenya's healthcare**

| <b>Year</b>   | <b>2008/9</b> | <b>2009/10</b> | <b>2010/11</b> | <b>2011/12</b> | <b>Total</b> |
|---------------|---------------|----------------|----------------|----------------|--------------|
| KSh. Millions | 7,772.7       | 8,062.1        | 8,409.4        | 8,713.3        | 32,957.5     |

*Adopted from Ministry of Medical Services, healthcare financing Strategy 2010-2012*

According to a paper by USAID (2009) titled *Investing wisely, Health Policy Initiatives helps Kenya Improve Health Financing Policies and Systems*, Kenya's health system currently relies on six main sources of financing. These include general government revenues (taxes paid by all Kenyans) – This is an allocation from a common pool of taxes and each of the government departments are allocated depending on the availability. This forms the bulk of financing of public healthcare from the government. The user fees paid by individual clients when accessing services introduced by the government in 1989 in an effort to bridge the growing gap between health sector expenses and available resources are another source. This system has the strength in that the people who utilise the service contribute to financing the system. In addition, at inception, there was an allowance for waiver and exemptions for the very needy cases. The National Hospital Insurance Fund (NHIF)—a government-sponsored health insurance scheme first formed in 1966 and the Act governing the state corporation amended in 1998. NHIF is the only state owned health insurance scheme and operates on a “business model”. The corporation has made attempts to increase the funds it pools together and increase its efficiency to the customers.

Other sources of funding for public health care include donor funds and out of pocket payments, which is the most discouraged form of financing healthcare. Employer-sponsored health plans are also present in some organisation. However, this does not constitute a large portion of the financing. This arrangement involves an employer undertaking to pay for the medical bills of the employee, often with a maximum figure which the employer is willing to cater for. Often, this arrangement does not involve a third party to take the risk.



## 1.2 Research problem

Implementation of strategies faces numerous challenges. Experience show that strategies fail more than they succeed (Thomson and Strickland, 1989). Organizations are open systems and always respond to the external environment through appropriate strategies. Without this, the intended objective is unlikely to be achieved.

Healthcare financing faces some unique challenges. First, people need healthcare when they are unwell, in this case, their budgets have gone up while their productivity has reduced. Second, in many countries, including Kenya, healthcare is considered as a human right. In fact, in Kenya, that right is enshrined in the constitution. However, healthcare is expensive and many governments have to strategise on how to mobilize resources to cater for healthcare. Risk pooling is therefore encouraged in healthcare financing. However, this is usually a challenge to achieve.

Studies conducted on implementation of strategies and the challenges they face include Mumbua, (2003), Koskei, (2003), Olali, (2006), Kiprotich, (2008). Mimbua studied the factors influencing strategy implementation for non-governmental organisations operating in Kenya. Koskei studied challenges facing implementation of strategies in state corporations with focus on Telkom Kenya. In 2006, Olali studied the challenges facing implementation of strategies at cooperative bank. Lately in 2008, Kiprotich did a study titled; Strategy implementation and its challenges: A case study of African Braille Centre.

There are significant contextual differences in terms of management, the sizes of organisation, external environment, strengths, weaknesses opportunities and strengths. There are differences since all these are in different sectors of the economy and cannot be

taken empirically to explain challenges in the other sector. Studies cited above have not explained the challenges facing implementation of health financing strategies in Kenya or any other country. This study therefore sought to address the question: are there challenges facing implementation of the various healthcare financing strategies and/or policies in Kenya?

### **1.3 Objective of the study**

To establish the challenges faced in the implementation of public healthcare financing strategies in the Kenya.

### **1.4 Value of the study**

This study would contribute significantly to the existing body of knowledge in the emerging field of healthcare financing. While many third world countries have for many years relied on donor funding. Donor fatigue is setting in with donors preferring sustainable strategies of helping poor countries. One of these has been to educate policy makers on international approaches to healthcare. This study would be of great value to curriculum makers interested in focusing their training in Kenya. This study would be very useful to middle as well as top level managers in the Kenyan health sector as it would allow them to exactly understand the challenges, which is always the first step to solving a problem. The study would also be useful to donors who are always keen to know what challenges exist in their countries where they donate with an aim of capacity building. Equally, this study would be useful to students interested in healthcare policy and management.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

In this chapter, we reviewed relevant literature to provide theoretical and conceptual foundation to satisfy the purpose of the study. It examined challenges facing implementation of strategies as described by authors in the subject.

### 2.2 The Concept of Strategy

The term strategy is believed to have originated from the ancient Greeks and that the word strategy comes from the Greek word 'Stratego' meaning to plan destruction of one's enemies through the effective use of resources (Bracker as cited in Burnes, B. 1999). Alfred, D., Chandler, Jr. (1962) defined strategy as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of course of action and the allocation of resources for carrying out the goals. Kenneth, A. (1980) argues that a strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving these goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non –economic contribution it intends to make to its shareholders, employees, customers and communities.

Mintzberg, H. (1994) declared that strategy as a term has several meanings, all of which were useful. He indicated that strategy is a plan, a pattern, a position, a perspective and, in a footnote, he indicated that it can be a ploy, a manoeuvre intended to outwit a

competitor. This became known as the five P's of strategic management. Bryson (1996) defines strategy as a pattern of purposes, policies, programs, actions, decisions, or resource allocations that define what an organization is, what it does and how it does it. Scholes J. and Whittington (2005) advance that; strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.

Johnson and Scholes (2002) define strategy 'as the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a challenging environment to meet the needs of the markets and to fulfill stakeholder expectations. In the military, which is believed to be the origin of strategic management, the strategy for a battle refers to a general plan of attack or defense. Typically, this involves arrangements made before actually engaging the enemy and intended to outwit that enemy. In this context, strategy is concerned with the deployment of resources. According to David Fred (2003), strategies allow companies to be more pro-active than reactive. This allows them to determine their future. However, this can be qualified by the fact that there are external factors of politics, ecological, social, technological and legal which can affect the success of a strategy. A strategy can fail and, when it does, tactics dominate the action. In whatever business, the realized strategy is always one part intended strategy. The other part is referred to as emergent being an adaptation to the conditions encountered in the process (Steiner & Gorge, 1979).

Strategy affects outcomes. In periods of relative stability, low economic turbulence and little competition for resources and the market companies can survive with ease and may not need to plan strategically. However, none of these exists in today's world. It therefore becomes necessary for any organisation, private or public, profit making or non-profit making, to develop strategies. The strategies developed and implemented by a company can be determined by the structure of the organisation, the resources available and the nature of the coupling it has with the environment and the strategic objective being pursued Jones and Karen, 1998).

### **2.3 Strategy Implementation**

Strategy implementation is one of the components of strategic management. Pearson and Robinson (1997) define strategic management as one of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. According to Mintzberg (1994) strategy formulation involves several processes. First it involves doing a situation analysis of both internal and external micro and macro environment. Secondly creating vision statements with long term view of a possible future and creating mission statements that spell out the role that the organization gives itself in the society. Thirdly, creating overall corporate strategic business unit and tactical objectives. Finally a plan with details on how to achieve the objectives is developed.

Strategy implementation also involves several processes. First, it involves allocation of sufficient resources which include financial, personnel, time and computer system

support where necessary. Second, establishing a chain of command or some alternative structure such as cross functional teams to undertake specific responsibilities. Third, assigning responsibility of specific tasks or processes to specific individuals or groups. Where a task is assigned to a group, a leader who can be held accountable must be established. Finally it involves managing the process which includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and the efficiency of the process, controlling for variances, and making adjustment to the process as necessary (Deloitte and Touche, 2003) Researchers (Alexander, 1991; Giles, 1991; Aosa, 1992; Lares-Mankki, 1994; Galpin, 1998) have pointed out a number of problems in strategy implementation. These include weak management roles, lack of communication, poor commitment to strategy and misunderstanding of strategy. According to Aosa, (1992), once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. However, poor implementation of an appropriate strategy often causes that strategy to fail (Kiruthi, 2001).

David (1997) notes that a strategy will most likely be expressed in high level conceptual terms and priorities. For effective implementation it needs to be translated into more detailed policies that can be understood at the functional level of the organization. Andrew (1980) adds that the expression of the strategy in terms of functional policies highlights any practical issues that might not have been visible at a higher level. The strategy should be translated into specific policies for functional areas such as marketing, research and development, procurement, production, human resource, information communication and technologies. David (2003) points out that implementation of

strategy do not therefore automatically follow strategy formulation. However strategy formulation and implementation is an on-going, never ending, integrated process requiring continuous reassessment and reformation. Strategic implementation is therefore dynamic and involves a complex pattern of actions and reactions.

#### **2.4 Challenges of implementation of a strategy**

Many organizational characteristics may either promote or hinder implementation of a strategy. According to Kithinji, (2005), strategies that fail during implementation are a good study point since it may reflect ineffective implementation. This means that they can add to the existing body of knowledge on effective implementation of a strategy. Implementation of strategies remains the most difficult part of doing business. Sometimes organization rush into making alternative strategies without following the previously formulated strategies. This causes mix up and even frustration on those tasked to implement the strategies.

Some of the studies done point to a number of factors for the failure of strategy implementation. This includes weak management, lack of commitment, poor coordination and sharing of resources and responsibilities, inadequate capability of the implementers, competing activities and uncontrollable environmental factors (Thomas, Strickland and Gamble, 2007, Giles, 2007, Koontz and Weirich, 2001). According to Hrebiniak (2005), some of the challenges include the necessity for longer timeframe than initially allocated for the implementation, poor or vague strategy, conflicts with organizational power structure, poor or inadequate sharing of information, lack of

understanding in the organizational structure including information sharing and coordination method, unclear responsibility and accountability in the execution process and inability to manage change that results from the implementation.

A major concern of top management is the right manager to task with the implementation of a strategy. Poor leadership constitutes a major source of failure for strategies. Ghieck (1980) states that a manager needs to have the right characteristics to successfully implement a strategy. Although technical skills will be important for this, social skills also play a major part in the success of a strategy. In addition, effectively communicating the strategy down to the lowest level is important for the success of a strategy. This is sometimes missing especially for large organization.

Organisational culture can bring down implementation of a strategy Bossidy and Charan (2002) argue that importance of confronting reality becomes important once it becomes necessary to build an execution culture across the organization. Organizational culture is the organisational internal work personality and climate as determined by its core values, beliefs, traditions, business principles, work practices and styles of operating (Thomson, Strickland and Gamble, 2007). It guides employees on how to behave, what they should do, and where to place priorities in getting the job done. Planning and coordinating personnel can be increased to manage around the culture in implementing strategy. (Schwartz and Davis, 1981). Obara G. O (2008) sites organisational culture as a challenge in implementation of strategic plans at the Electoral Commission of Kenya.



If the organisational structure does not support the strategy, inefficiency results (Chandler, 1962). Pearce and Robinson (2003) state that the key components of a company – structure, staff, systems, people, style influence the way key managerial tasks are executed. Structure is a key ingredient of organising for success, but within any structure the key components affecting success are the formal and informal organizational processes (Pettigrew and Fenton, 2000). Mintzberg (1990) concludes that “strategy follows structure as left foot follows right”. Existing structures should therefore not therefore not constrain implementation of strategies being considered. Lack of buy-in from stakeholders, including the employees is a major challenge in implementation of a strategy. The best way to get a strategy implemented is not by telling people what to do but by sharing it in a way that they can understand and support in. The level of involvement is influenced by the power held by a stakeholder.

For those with high interest and high influence, they need to be involved at every stage right from the development. For those with high influence but low interest, they need to be kept informed. Those both interest and influence is low can be ignored, or rather require minimal effort. Those with high interest but have low influence need to be kept satisfied if the implementation is to succeed. In a contextual example, the National Hospital Insurance Fund (NHIF) recently increased their charges. They did not consult the Central Organisation of Trade Unions (COTU). COTU has interest since employees under the union will be forced to pay more. They also have influence since it's the umbrella body for all trade unions. As a result, the strategy has been paralyzed and a case in court. This would have been avoided by involving the body from the onset.

People processes are very important in implementation of a strategy. Strategies should be created based on the people's judgment since the task to implement lies with them. According to Thomson, Strickland and Gamble (2007), supportive motivational practices and reward system are powerful management tools for an organization to gain employee commitment. With the right strategies and people, the challenge turns to creating realistic plans with specific action plans and accountability. This breaks down long term goals into short term targets that make it easier for decisions to be made and into actions that are clear and possible to implement. Every action in the plan should be specific, measurable, agreeable, realistic and with timelines. However, it should also be made to be challenging.

Inadequate resources are another cause of failure of strategies at the implementation phase. Strategy guides an organization as to how to properly align firm's resources to exploit opportunities and minimize threats. Thomson, Strickland and Gamble (2007) argue that funding requirements for a new strategy must guide how capital allocations are made, and the size of each units operating budget. Underfunding organizational units and activities pivotal to strategic success impedes execution of strategy and the drive for operating excellence. For a long time, strategic plans were not tied to budgets. For this reason, many organizations would make plans that they did not achieve. This threatened the concept of strategic planning many questioning its relevant to the organization. In other terms, organizations made a "wish list" which they would term as their strategic plans.

Resistance to change is a multifaceted phenomenon which introduces delays, additional costs and instabilities into the process of change. Resistance may take several forms for example procrastination and delays in triggering the process of change. Unforeseen implementation delays and inefficiencies make the strategy implementation cost more than originally anticipated. There could also be efforts within the organization to sabotage the strategy or to absorb it in the welter of other priorities. Resistance to change could be either systemic or behavioural. Systemic resistance is organisational and includes Organization design, organizational culture, resource limitations, fixed investments, Inter-organizational agreements. Behavioral resistance on the other hand could be either at individual or collective level. At individual level it could include, employees or managers in other departments while at collective level it could be by managers who share common tasks or coalitions and power centers within the organization. These coalitions are usually informal groups. All these forms of resistance could either slow down or completely paralyze a strategy.

Lack of information can hamper the implementation of a strategy. In some instances, strategies are formulated at the top level and the middle and operational level are supposed to take it and implement it. In some instances, they do not understand the concepts and the thinking behind the strategies. What results is that they become very dependent on the management and have to be guided on the smallest decisions. This can result in frustration on employees and the strategy fails to materialize. In his study of African Braille Centre, Kiprotich. J (2008) cites lack of information through lack of proper communication channels as one of the challenges affecting the centre.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter outlined the overall methodology used in carrying out the study. It explained the design adopted for the study. It also explained the study population, which identified appropriate respondents for the study. This was followed by instruments & tools for data collection.

### **3.2 Research Design**

The study used a case study research design within the Ministry of Medical Services. This method was most appropriate because as it examined strategies already in place, the study units were also able to provide more information. The study aimed at collecting information from respondents on their views and opinions in relation to challenges facing implementation of healthcare financing strategies in the Kenya.

### **3.3 Data collection technique**

The study largely utilized primary data which were collected from respondents. A total of 10 respondents were used in the study. An interview guide was used to collect information from the respondents through personal interviews.

### **3.4 Data Analysis**

Content analysis was used to draw conclusions and come up with recommendations. This was based on detailed information gathered with regards to the challenges of implementing healthcare financing strategies in Kenya. Content analysis was used to pick key phrases and opinions and related them to emerging patterns.

# **CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS**

## **4.1 Introduction**

This chapter presents the results of the study. This chapter has been presented in two sections, that is, section one covered respondent's personal/organizational background information and section two dealt with key challenges faced in strategy implementation. The research objective was to establish the challenges faced in the implementation of public healthcare financing strategies in the Kenya. The information was collected from the sample of 10 respondents drawn from ten level V hospitals across the country.

## **4.2 General information**

This section examines information relating to the respondents. The section provides information including the length of time the respondent has been in service. It would not add value, for example, to interview a person on induction in the ministry of medical services. The section also scrutinizes their role in the ministry, their understanding of healthcare financing strategies and their involvement in formulating the strategies and implementation. It also shows the response rates.

### **4.2.1 Response rate**

A total of ten interview guides were administered. The completed interview guides were edited for completeness and consistency. Of the ten interview guides used in the sample, eight were returned. The remaining two were not returned. The returned interview guides represented a response rate of 80%, which the study considered adequate for analysis.

#### **4.2.2 Number of years in the position**

The study attempted to establish the number of years that the respondents had been in their current position. This was used along with the number of years they have been in service to avoid a case where a respondent would fail to have information due to them being new in service. Two of the respondents had been in their current position for less than two years. Three of them had served for between three and five years while two of them had served in their current position for over five years.

#### **4.2.3 Total number of years in the Ministry of Medical Services**

This was used to assess how fast a person can get into the hospital management. It is expected that a person would be required to accumulate experience before rising to management. From the eight respondents sampled, two had been in service for less than two years. This means they were recruited directly to hospital management position. Two of them had been in the ministry for between two and five years while the other four had been in service for over five years.

#### **4.2.4 Main role of the department within the Ministry of Medical Services**

When asked to state the main role of their departments within the ministry, the respondents identified the following roles; coordinating, facilitating and supervision of all the administrative or supportive services within the ministry (department of health administration), implanting delivery of services to patients (medical/curative department) and accounting (finance and accounts department).

#### **4.2.5 Understanding of Kenya's public health financing strategic plan**

When asked to state whether they understand Kenya's public health financing strategic plan, most of the respondents indicated that they understood Kenya's public health financing strategic plan. However, a significant portion was of the opinion that they did not understand Kenya's public health financing strategic plan. Of those who understood, they were of the opinion that the bulk of financing of Kenya's public health financing strategic plan are from the exchequer with supplementary from donors, the plan is collaboration between the government and other stakeholders, it is a plan on how health services can be sustained. On the other hand those who did not understand Kenya's public health financing strategic plan indicated that they had never seen any document on the same at the ministry.

#### **4.2.6 Awareness of the public health financing strategies available in Kenya**

The respondents unanimously agreed that they were aware of the health financing strategies available in the ministry. Respondents further indicated that cost sharing and Health Sector Service Fund (HSSF) were some of the health financing strategies available in the ministry. HSSF received funds from the central government. Donor funding was also mentioned as a major source of financing in public healthcare in Kenya.

#### **4.2.7 Involvement in the formulation of the health financing strategies**

It was apparent the respondents were normally involved in the formulation of the health financing strategies indifferent categories, more so, involvement were of the following nature; making decisions on facility improvement funds at the faculty level, this among

other things included being able to set prices for services at the facility level. The health managers are also able to give waivers and exemptions for needy clients and this is an important aspect in public healthcare financing. The managers have also been able to attend seminars on strategy formulations, provision of data from accounts section and analysing operation plans at the facility level. Recent gazettelement of hospital finance committees was also seen to improve community involvement in public healthcare financing.

#### **4.2.8 Opinion on availability of necessary skills for implementing the health financing strategic plans**

Most of the respondents were of the opinion that the ministry have the skills necessary for implementing the health financing strategic plans, while a significant portion felt otherwise. Of those who felt that the ministry does not have the skills necessary for implementing the health financing strategic plans were of the opinion that there is shortage of skilled staff and therefore staff needs to be trained. Another issue raised included that most health managers are trained as medical professionals as opposed to health managers. They were therefore more astute as health professionals than health managers. Health managers' passion in their clinical work was seen as a challenge to healthcare financing. They were seen to be more keen in advancing their medical skills at the expense of any other area including healthcare financing.

#### **4.2.9 Adequacy of training on healthcare financing strategies**

A number of the respondents received adequate training on implementation of strategies but limited to the Kenyan healthcare financing strategies context. However, there is a



significant portion that had not received training on the same. Those who were trained included hospital in charges. The trained was done by provincial health care team, HSSF secretariat, and officers from the headquarter. There was however concern that the training only concentrated on the top management and that the lower cadres receive no training at all on public healthcare financing strategies and their implementation. This leads to lack of buy-in from the vast of the healthcare workers.

According to most of the respondents, staffs did not receive objective and adequate training to understand the concept of healthcare financing strategies, that is, the hospital staff are in dire need for training. Training was inadequate and not timely and hospital finance committee were not trained. Some of the respondents felt that the little training they have received was to enlighten them on what is happening in the Kenyan healthcare financing system. However, healthcare financing is fast growing as a discipline in itself where students are trained in the various models available in the world including the challenges faced in implementation of the various models across the world.

### **4.3 Challenges of Strategy Implementation**

This section covers the question posed to the respondents on the challenges faced in strategy implementation in terms of; structure, organizational system and procedures, culture and traditions, technology, leadership, human resources, legal framework and funding. Tables, frequencies and percentages were used to present the findings.

### 4.3.1 Structure

The respondents were asked whether the structure of the ministry posed a challenge in implementing health financing strategies. Some of the respondents felt that structure does not pose a challenge in the implementing health financing strategies. The larger fraction of respondents however felt that the structure has to varying extents posed a challenge in the implementing health financing strategies. Some of the specific challenges were associated to interdepartmental relationship, it was felt that at times the technical departments are given more focus than the administrative departments and this at times leads to conflicts.

There was also the issue of late/delays in disbursement of funds prompted by the structure of the ministry. Government bureaucracies including various signatories at many levels lead to delaying of funding to the facilities. However, this may also be necessary to protect the taxpayers' money. It was also thought that at times there is lack of clarity in delivery of health care services and bureaucracy on decision making. . There was also the issue of having two Ministries dealing with health; the Ministry of Medical Services and the Ministry of Public Health and Sanitation. While initially there was only one ministry; the Health Ministry. Currently, the flow of funds from one facility to another may at times be inter-ministerial exchange. For example during a referral of a patient to a level V hospital, it was easier for either of the two facilities to cater for the referral cost earlier as all the facilities reported to a common superior. However, with the split of the ministry, they will be reporting to different superiors who may even look at the issue at different angles.

The respondents further indicated that the ministry has been able to overcome the above challenges through; appointment of secretariats to deal with specific issues and posting qualified staff to handle curative and preventive services. These services are chargeable at the facility level thus leading to some revenue through the cost sharing or the facility improvement fund.

The structure of the National Hospital Insurance Fund was suggested by some respondents as not being strong enough to handle its operations especially in the field. Their operations in the field are not linked to the headquarters by wide area networks and this makes reimbursing the facilities that have offered services delayed. Some respondents suggested that the operations of the National Hospital Insurance Fund should be aligned with its mandate. The corporation is mandated to insure against outpatient and inpatient. However, currently, the body only caters for bed charges. Some respondents also felt that the NHIF would improve their responsiveness if there are agreements on how soon the corporation pays for services rendered to its clients.

#### **4.3.2 Organizational system and procedures**

The respondents indicated that organizational systems and procedures were to a large extent a major challenge in implementing health financing strategies in the ministry. Strategies are formulated at the centre, hospital committees must meet, process of cost sharing is very long. Almost every issue must be taken to the provincial administration who chair all provincial and district committees including the health committee. Facilities do not have independence like their counterparts Kenyatta national hospital or Moi referral hospital which are parastatals. The ministry cannot change government financial

management, exemptions and waiver where services have been provided without any compensation, handling financial issues with people from other departments and lack of induction of staff on the organizational and procedures. The study indicated that organizational systems and procedures challenges in implementing health financing strategies in the ministry would be managed by training hospital managers, putting in place proper systems and use of committees in decision making process. It was also felt that whenever there is a chance to receive funding from donors, the process has to start from the headquarters. The headquarters may be negotiating with donors without a clear picture of the strategic needs of a facility. In addition, this also introduces unnecessary delay in implementing the financing strategies.

#### **4.3.3 Culture and traditions**

The respondents were asked of organization culture and traditions as a challenge in implementing health financing strategies. They were of the opinion that organizational culture and tradition plays a significant role in the implementation of health financing strategies in the ministry. Most of the respondents were of the opinion that organization culture and traditions was a challenge in implementing health financing strategies. The challenges identified were managers sticking to the old ways of doing things (reluctant to change). Some of the staff avoided technology including computerization of the hospital operations.

There was also avoidance of proper systems and procedures. This was particularly seen in the processes of waivers and exemptions. The resistance to the procedures was sometimes due to the fact that some staff members would want to offers services to their friends and relatives without them having to pay leading to loss of revenue for the

hospitals. The community was also seen to play a part in hindering healthcare financing. Some members of the public use community leaders in demanding treatment of patients without pay as the constitution provides that the state has a duty to provide healthcare to its citizen. There is also the culture of politicians demanding that patients be released without paying medical bills that has at times hindered healthcare financing.

Another culture raised about the patients and which is a hindrance to implementation of healthcare financing strategies is the use of traditional healer. There is a tendency for patients to seek treatment from traditional healers whereas they could have gotten treatment from the hospitals thus injecting some financing to the health kitty. This was blamed in the aspect that in case of mismanagement, the same patients end up in hospitals in a state where they cannot even raise minimal fees. At the same time, their disease usually has progressed at this time and it costs far much more to treat them. This deprives the health kitty of financing. In order to overcome these challenges the ministry has organized training meeting focusing on customer care, introduced service charter, employed people with right skills, initiated transfer of officers from one work station to another and introduced grants and HMSF. The introduction of service charters has also put the obligation of the community bare. This includes their obligation to pay for services provided unless they have been officially waived or exempted from paying for the services.

#### **4.3.4 Technology**

The study finding also indicated that technology was a major challenge in implementing health financing strategies. Most of the respondents agreed that it had to a very large

extent affected the implementing health financing strategies. The challenge posed by technology in the implementation of health financing strategies ranged from basic technology to complex technological advancements.

Some were as basic as lack of cash registers forcing cashier and the facilities to use manual receipting of transactions which is prone to manipulations. Lack of internet connectivity which affects the reading culture yet the medical field is a dynamic field that requires constant upgrading of knowledge. There was also lack of networking between the various departments in the hospital. The health managers felt that having a hospital wide system would reduce the manual way of charging patient and would seal many possible loop holes therefore increasing the finances from the facility improvement fund kitty. While some departments may have been interconnected, the software used were said not to be meeting required specifications. Moreover, there is lack of information technology support since the government has not sent them personnel. The facilities are thus forced to resort to outsourcing thereby eating up into the little they had collected. Poor quality of the hardware used and high level of computer illiteracy amongst staff were also cited as challenges in healthcare financing in the public facilities.

#### **4.3.5 Leadership**

Majority of respondents in this study were of the opinion that the ministry has been facing leadership challenges in the implementation of health financing strategies. This shows that leadership is a real issue in the implementation of the health financing strategies. The first challenge that was cited by the respondents is that they felt most of them were trained as medical workers and were only learning management, including

implementation of healthcare financing strategies on the job, and in most cases with very limited support. In addition, the health managers also felt that the community still does not recognize them more as health experts other than managers and they are forced to use a better part of their time attending to patients as opposed to offering leadership to the various initiatives such as implementation of healthcare financing strategies. This challenge as a result of staff being given responsibility without training however cut across to other cadres who do not receive training tailored towards healthcare financing.

There was also lack of involvement of people in planning which had been worsened by confusion on the role of Hospital Finance Committees that have been gazetted and the previous body referred to as the Hospital Board, it was not clear which of the two should be offering leadership in healthcare financing matters at the facility. In order to handle leadership challenges, the ministry has liaised with donors to train members of Hospital Management Team (HMT) and also carried out country wide training of managers on leadership skills.

#### **4.3.6 Human Resources**

The respondents were asked whether human resource has been a challenge in implementing health financing strategies. Most of the hospital manager's responded in the affirmative saying that to a large extent, human resources does pose a challenge in the implementing health financing strategies. The specific challenges originating from human resource were that the shortage of staff lead to competing tasks, while a doctor could have been conducting a procedure that could raise some finances to the facility

improvement fund kitty, they are allocated administrative duties. There was also inadequate induction of new staff handling healthcare financing roles and even the technical staff on their role in implementing healthcare financing strategies, in adequate departments to handle various responsibility and un-matched clientele population to staff ratio. These challenges could be solved by employing more staff either on casual or permanent basis and capacity building through training.

#### **4.3.7 Legal framework**

It was found that majority of the respondents felt that legal framework did not hampered the implementation of health financing strategies. In fact, the Kenyan constitution provides that health is a human right. They felt that the law was enabling but translating it to get results has been the challenge. Additionally, Kenya was a signatory to the Abuja declaration that provided that 15% of a country's budget should be used in financing healthcare. The country however has not been able to achieve this percentage. There were however respondents who felt that legal framework was a hindrance in healthcare financing strategies due to lack of autonomy in sourcing for partners, any player in healthcare financing is to some extent regulated by the central government. However, this is also necessary as if players are left to self regulate; this could lead to exploitation of citizens.

The National Hospital Insurance Fund receives contributions from the public. The statutory contribution does not meet the ideals of a sound healthcare financing scheme. In an ideal scheme, contribution should be according to ability and drawing according to need. In Kenya's case the contribution is fixed irrespective of a person's earnings.



However, contribution to National Hospital Insurance Fund is a specified amount. Some activities are not in the public health act Cap 754 and tedious procurement procedures put in place affecting the availability of goods and services in time.

#### **4.3.8 Funding (Resources)**

The respondents were asked to rate the extent to which lack of funds poses challenge in implementing health financing strategies. The respondents agreed that to a very large extent lack of funds is a major challenge in the implementing health financing strategies. The challenges arising from lack of funds were; lack of enough personnel, lack of IT system, partially completed projects in the facility and accumulated debts. Lack of funds was attributed to several factors. First, they felt that the amount allocated to hospitals by the central government was inadequate to support infrastructure, hiring and training of staff on the subject. Further, the aspect of financing from the cost sharing funds faced a challenge. First, the hospitals are from time to time unable to provide several services all as a result of lack of medical supplies leading to loss of revenue.

Financing from the donors was also seen as a challenge in that they are not guaranteed. Facilities and the ministry at large faces fluctuating donor funding. Further, the donors come with specific agenda for which they want their finances to be utilized in. The donors priorities do not at all times agree with the priorities of the Kenyan health sector.

In another angle, resources are a great challenge in the implementation of healthcare financing strategies especially when it comes to cost sharing which relies on out of

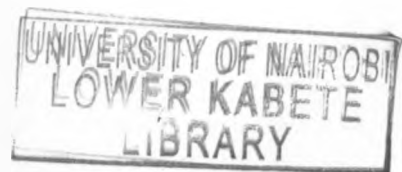
pocket payment. It is notable that majority of Kenyans live below the poverty line, which is below a dollar a day. They are thus most interested in fulfilling the lowest segment of Maslow's hierarchy of needs. Even in times of sickness, they cannot raise the requisite fee to be attended in a health facility. They thus consider the cheapest options, they may opt to stay at home and not seek medical attention. They may also consider other alternatives such as traditional healers whom they can they can pay using farm produce. All these are channels through which one of Kenya's public healthcare financing strategies loses financing.

# CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Summary

The objective of the study was to establish the challenges faced in the implementation of public healthcare financing strategies in the Kenya. Foremost, the study found that the main roles of the departments within the ministry were; coordinating, facilitating and supervision of all the administrative or supportive services within the ministry (department of health administration), implanting delivery of services to patients (department of administration/curative) and accounting (department of finance and accounts).

Majority of the respondents understood Kenya's public health financing strategic plan, they were also aware the health financing strategies available in the ministry such as cost sharing; donor funding and HSSF from the central government. The study also found that respondents were involved in the formulation of the health financing strategies, which is, making decisions on facility improvement funds at the faculty level, attending seminars on strategy formulations, provision of data from accounts section, analysing operation plans at the faculty level. It was apparent that majority of the respondents were of the opinion that the ministry have the skills necessary for implementing the health financing strategic plans that are currently available in Kenya. Further suggestion was made that staff needs to be trained first to improve on their skills as well as to bridge the shortage gap currently being experienced in most hospitals. This includes learning on financing strategies that have proved successful in other countries.



On the challenges faced in the implementation of public healthcare financing strategies in the Kenya, the study identified structure, organizational system and procedures, culture and traditions, technology, leadership, human resources and funding as the main challenges. However legal framework was not a major challenge faced in the implementation of public healthcare financing strategies in the Kenya. Of the key challenges facing the implementation of public healthcare financing strategies in the Kenya, the study found out that the ministry has put in place measures to control them. For example; human resources challenges (employing more staff either on casual or permanent basis and capacity building through training), leadership challenges (ministry has liaised with donors to train members of HMT and also carried out country wide training of managers on leadership skills), organizational system and procedures (training hospital managers, put in place proper systems and use of committees in decision making process) and culture and tradition (ministry has; organized training meeting focusing on customer care, introduced service charter, employed people with right skills, initiated transfer of officers from one work station to another and introduced grants and HSSF)

The National Hospital Insurance Fund (NHIF) should be strengthened. One of the concerns with the institution is that stakeholders feel that it does not have the capacity to handle a larger clientele. Reason being that its grassroots structures are not strong. They do not have adequate personnel and generally they have not been responsive enough to the smaller clientele they are handling. It would therefore have a greater impact on financing of the public healthcare if the existing structures are strengthened and their systems and procedures reviewed to be responsive to the market.

## **5.2 Conclusion**

In conclusion to this study, it is evident that implementation of public healthcare financing strategies is faced by many bottlenecks. While it is important to examine how these challenges can be addressed, there is a possibility that Kenya may not have adopted the most appropriate strategy for financing her healthcare and the whole strategy should be re-examined taking economic, technological as well as social factors into context.

## **5.3 Recommendations**

There are various models adopted by many countries across the world. Some countries such as the United States rely more on health insurance where citizens pay. In other countries such as Germany, healthcare financing is largely supported by the government taxes. In Tanzania, there is a steady rise in community based health insurance schemes where groups come together and form their own insurance. A study of all these models shows that there is no one best way to raise finances for a country's healthcare. I would recommend that a future research examines the various strategies and their implementation with the aim of settling on the best strategy for financing healthcare in Kenya.

## **5.4 Implications on policy, theory and practice**

If the government hopes to achieve the *Vision 2030*, and to fulfil its constitutional mandate that defines access to healthcare as a human right, I would recommend that the government pays greater attention in training experts in healthcare financing. They would

in turn start training of trainer so that the information is rolled out. Health costs money and the only way to have a healthy and working nation is by raising more funds. Further, the training would enable the government to not only restrict itself to the few mechanisms of healthcare financing that are currently in existent in the country. Various countries such as Germany, Denmark, Britain and Tanzania have a very different approach towards healthcare financing in a bid to ensure universal access as envisaged by World Health Organisation and our constitution.

### **5.5 Limitations of the study**

The first limitation of the study was the geographical distribution of the samples. They were distributed all over the country making follow up a challenge. As a result, two of the ten level V hospitals did not respond. However, the eight respondents are seen as a good response rate allowing analysis and completion of this work. Secondly, all the level V hospitals are situated in the major towns in Kenya. While most of the findings may cut across the whole healthcare system, there could perhaps be some variation in the understanding of the concept and the challenges in implementation of public healthcare financing strategies in the smaller units of dispensaries (level II hospitals), health centers (level III hospitals) and even level IV hospitals. Lastly, most of the respondents were the medical superintendants, being medical doctors and also facility managers, they spend a lot of time in clinical work and attending to policy matters from the headquarters being the officials who are briefed to articulate the ministry's policies at the major hospitals in the country. It was thus challenging to get them to dedicate part of their time in responding to the interview.

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# APPENDICES

## APPENDIX I: INTERVIEW GUIDE

### PART A

#### PERSONAL/ORGANISATIONAL DETAILS

1. Name of respondent (Optional).....
2. Department.....
3. Position held.....
4. Number of years in the position.....
5. Total number of years in the ministry.....
6. What is the main role of the department within the ministry  
.....  
.....
7. Do you understand Kenya's public health financing strategic plan?  
Briefly explain.....  
.....
8. Are you aware of the health financing strategies available in the ministry?  
.....  
.....
9. How are you involved in the formulation of the health financing strategies?  
.....  
.....

10. In your opinion, does the ministry have the skills necessary for implementing the health financing strategic plans?

.....  
.....

11. Does the staff receive objective and adequate training to understand the concept of healthcare financing strategies?

.....  
.....

12. Does the staff receive objective and adequate training to implement the strategies?

Who conducts the training.....

**PART B**

**CHALLENGES FACED IN STRATEGY IMPLEMENTATION**

The likert scale shows the extent to which the interviewee agrees with the statement.

1. What challenges does your department face in implementing the health financing strategies.

**a) Structure**

1) How has the structure of the ministry been a challenge in implementing health financing strategies? .....

.....

2) What specific challenge has it posed? .....

.....

3) How has the ministry tried to overcome the challenges of structure

.....  
.....

**b) Organisational system and procedures**

1) Has systems and procedures been a challenge in implementing health financing strategies in the ministry? .....

.....

2) Briefly explain

.....

3) How has the ministry tried to overcome the challenges.....

.....

**c) Culture and traditions**

1) Would you consider organisational culture to be a challenge in the implementation of health financing strategies in the ministry.....

.....

2) How has it been a challenge?

.....

.....

3) How has the ministry tried to cope with the challenges?

.....

**d) Technology**

1) Has there been technological challenges in the implementation of health financing strategies?.....

.....  
2) How has it been a challenge?

.....  
.....

3) How has the ministry tried to cope with the challenges?

.....  
.....

**e) Leadership**

1) Has the ministry faced leadership challenges in the implementation of health financing strategies?.....

.....

2) How has it been a challenge.....

.....

3) How has the ministry tried to cope with the challenges?

.....

.....

**f) Human Resources**

1) Has the ministry faced challenges in human resources capacity in the implementation of health financing strategies?

.....

2) How has this been a challenge? .....

.....

3) How has the ministry tried to cope with the challenges?

.....  
.....

**g) Legal framework**

1) Has legal frameworks hampered the implementation of health financing strategies?

2) How has this been a barrier? .....

.....

3) How has the ministry tried to cope with the challenges?

.....  
.....

**h) Funding (Resources)**

1) Has there been limitations related to funding affected the implementation of health financing strategies?.....

.....

2) How has this been a challenge? .....

.....

3) How has the ministry tried to cope with the challenges?

.....  
.....

**APPENDIX II: AUTHORISATION LETTER, UNIVERSITY OF  
NAIROBI SCHOOL OF BUSINESS**



**UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
MBA PROGRAMME**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P O Box 30197  
Nairobi, Kenya

DATE.....13/10/2010.....

**TO WHOM IT MAY CONCERN**

The bearer of this letter.....

SHAORACK GAIKONYO  
DBI / 71178 / 2008

Registration No.....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.  
UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
MBA OFFICE  
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NAIROBI

**JUSTINE MAGUTU  
ASSISTANT REGISTRAR  
MBA OFFICE, AMBANK HOUSE**

**APPENDIX III: AUHORISATION LETTER, HOSPITAL  
MANAGEMENT SERVICES FUND, MINISTRY OF MEDICAL  
SERVICES**



**MINISTRY OF MEDICAL SERVICES  
HOSPITAL MANAGEMENT SERVICES FUND**

Telephone: 254(020)2717077  
Fax 2723802  
When replying please quote:  
Reference Number and Date

AFYA HOUSE  
CATHEDRAL ROAD  
P.O. BOX 30016  
NAIROBI.

REF: HMSF/VOL.1/9/2/011

09<sup>th</sup> February, 2011

All Medical Superintendents  
Level 5 Hospitals

**RE: INFORMATION ON SYSTEMS STRENGTHENING**

The Ministry of Medical Services with support from USAID/MSHF has commenced the process of strengthening systems and capacity building in all level 5 hospitals. In this regard, selected individuals have been tasked with relevant data collection and analysis.

Dr. Gikonyo of MSH has been assigned the responsibility of collecting information on health care financing.

Please give him support as he collects data that will enable further capacity building.

  
Sam Munga  
**Head: HMSF Secretary**