STRATEGY DEVELOPMENT PROCESS AT THE NAIROBI WOMEN'S HOSPITAL

BY

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DECLARATION

This project is my original work and has not been submitted for a degree in any other university.

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

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DEDICATION

To my parents whose wisdom and value for education has brought me this far.

To my husband, thank you for the support and constant reminders on how this should come to an end soon.

To my sons, Trevor Kaveke and Ethan Mumo (whom I both had over the course of pursuing this MBA) may you follow in my footsteps and if not supersede my achievements.
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I would like to acknowledge a number of people without whom my academic endeavors would not have come this far. God almighty for his eternal love, protection and blessings.

My entire family without whose support I would not have come this far. I would like to single out my husband for being my biggest cheering squad, my mother for her inspiration and constantly wanting me to go further in my career. My nannies who have watched over my little angels while at work and studying many late hours.

My supervisor Dr. Maalu for his time support and provision of academic direction during my research.

THANK YOU ALL AND MAY GOD BLESS YOU ABUNDANTLY.
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<td>Gender Violence Recovery Centre</td>
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<td>IT</td>
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<td>NEMA</td>
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Table 1: Financial performance of NWH in the last 10 years.
This study sought to find out what the approach of strategy development process has been at the NWH in the past. This is because the success and future existence of any business entity largely depends on the appropriate strategy developed and the proper implementation of the same. NWH is undergoing an expansion just as many other private hospitals are now making entry to other major towns outside Nairobi. NWH has also attracted investors who are interested in impacting the health sector through public private partnerships. The study is a case study of the Nairobi Women’s hospital. The objective of study was to establish the strategy development processes at NWH in the past 10 years and to also identify the factors that influence strategy development in NWH. For this study both primary and secondary data was obtained. The instrument used was a questionnaire as an interview guide. It was administered to senior managers and some board members. The data collected was qualitative in nature hence to analyse the data content analysis method was used.

Findings of the study revealed that strategy development at NWH was through managerial intent. The approach was top down and was not really effective. The factors that influenced the strategy development process that were identified in this study were Government/politics, Awareness of consumers about their rights, Organisational management, External consultants/experts, Media, Staff involvement in the process, Adaptation to Technology, Stagnation in financial performance of the organisation. Key recommendations are that the strategy development approach should be bottom up. This is particularly important for the staff to buy in into the change process. The factors that influence strategy development are varied and each must be considered based on its own merit.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Many of the early concepts of strategy were derived from the military. The word strategy literally means what generals do. This refers to the mapping out of military strategy in order to create the best opportunity to win the battle. Or, the art of bringing forces to the battlefield in a favourable position to win. Strategy development helps establish a framework for setting direction, and helps one determine the criteria for day-to-day decisions. It helps answer the questions: Where are we going and how are we going to get there? When there are clear answers to these two questions, the path you take can be specific and purposeful. Strategy answers the question of How? How are we going to accomplish the things that we have determined need to be accomplished during the strategy period? Strategy maps out where you are going and also outlines the specific steps you need to take to get there.

The strategy must be set in current reality. Often, people try to use yesterday's solutions to cope with today's challenges. Porter (1996) the essence of strategy is choosing what not to do. What he suggested is that the most difficult decisions in strategy development are not deciding what to do, but rather deciding what you are not going to do. Once objectives are determined, they must truly become priorities. Strategy builds on your understanding of the interdependence and relationship between your core values, your mission, and your vision. Everything should be based and identifiable in one or more of these three essentials. Strategy development then leads you into determining your objectives, setting goals, and determining what specific steps you will take to accomplish your goals. The tactics become the
activities, projects, and events that determine to be the best to help achieve the desired results.

1.1.2 Frameworks for Strategy Development

Strategy development may be a distinctive process or emergent property. Strategy develops as the result of a set of purposeful and defined set of processes or procedures, i.e. the strategy development process adopted by Hewlett Packard comprises three phases, and a variety of contextually selected methods and techniques. Phase one is Recognition. This is essentially the analytical phase of the strategy development. The second phase is Choice. Here one has to determine of what strategy to follow. Third phase is Alignment. This is the process of matching the organisational culture, structure and processes with the desired strategy. However, it is also perhaps where Hamel’s (1998) explorations become relevant, because they are essentially culturally and dialogue based, rather than instrumentally method or technique based.

The strategy development as an emergent property by Hamel (1998) starting point is that we do not have a theory of strategy development, and because of that many strategy development processes are doomed to fail. His proposed approach is to treat strategy as a complex emergent phenomenon in an organisation, not as a thing that can necessarily be determined by an instrumental process. In line with complexity theory, he suggests that a theory of strategy development will evolve by identifying what basic properties lay at the heart of this complexity. His best guess so far is new voices being able to be heard, Dialogue that cuts across organisational boundaries, releasing the deep sense of discovery possessed by most people, Ability to see things
from many different perspectives, Willingness to undertake small risk-avoiding experiments

What is questionable here however, is the suitability of the traditional strategy development tools, not only to the overall organisational culture, but also in sustaining and developing reflective dialogue. Most of Hamel's possible properties rely heavily on reflective dialogue - seeking to make the strategy development process more effective. However, many strategy development tools we know are primarily designed to organise and hasten the discussion around strategy (i.e. making strategy development more efficient). Mintzberg(1999) has always been critical of assuming that efficient strategy development is correlated with effective strategy development.

Stu Winby at Hewlett Packard development framework - with strategy occupying a territory bounded by the predictability of change and the nature of the organisations relationship with that change. It states that where there is proactive organisational relationship to change planning is done. Where there is reactive organisational relationship to change, tactic strategy is used. Where there is proactive organisational relationship to discontinuous change strategy is used. Where there is reactive organisational relationship to discontinuous change guesswork is used. It bears some interesting similarities with Max Boisot's typology of four different kinds of strategy (described in Developing Strategic Thought. Ed Bob Garett).

Finally, high levels of environmental turbulence and low understand ability of the environment result in intrapreneurship. High levels of environmental turbulence and high understand ability of the environment result in strategic intent. Low levels of environmental turbulence and low understand ability of the environment result in emergent strategy. Low levels of environmental turbulence and high understand
ability of the environment result in strategic planning. What is interesting about this framework is that it does give a role for strategic planning.

Boissot (1995) defines intrapreneurship as the state when things are so unpredictable that each segment of an organisation must be able to respond as best it can to changes. Everything is in a state of flux, and the top or the organisation as a whole has no greater insight than anyone else in the organisation. He defines emergent strategy as the product of top down and bottom up approaches which emerge incrementally over time. Strategic intent yields a simple, robust orientation, intuitively accessible to all the firm’s employees, an orientation which on account of its clarity, can be pursued with some consistency over the long term in spite of the presence of turbulence. What is also interesting is that he believes that if the expression learning organisation has any meaning at all, it requires firms to confront turbulence rather than avoid it, to absorb uncertainty rather than reduce it.

1.1.3 The Nairobi Women’s Hospital

The Nairobi Women’s Hospital (NWH) began operations in March 2001. The hospital specializes in Obstetrics and Gynaecology, but is also competent to handle all other general medical and surgical conditions requiring specialized care. NWH offers inpatient, outpatient and specialized services such as antenatal, paediatric, surgical, medical, well baby, well woman and comprehensive care clinics to people from all walks of life. Having been in existence for 12 years, it has managed to create a strong and competitive brand within the health sector. Since its inception the NWH has seen over 500,000 patients and played a major role in enhancing quality and affordable
healthcare in the country. It operates 24 hours. The NWH vision is we are trusted with the health of our women in Africa. The NWH mission is with passion we deliver healthcare.

The founder set up the hospital while he had an incident with a patient who had been raped and robbed and was unable to pay the bill. As the cashiers insisted on the payment a tussle ensued and he intervened and paid for her and later raised the issue with the administrator. He proposed that patient who is assaulted should not be asked to pay any monies and the administrator jokingly responded that maybe he should start his own hospital where he would not charge them and yet attend to them. An aha.....moment happened for him at this point and a seed was sown. The reasons why the founder believed such a hospital would work is because he had earlier done a research study on Gender Based Violence and how it’s a silent killer and that people did not know where to go to seek comprehensive healthcare. This research had been conducted jointly with FIDA at the time. So in March, 2001 the doors of Nairobi Women’s Hospital-Hurlingham opened.

At first the hospital was registered as Health link Mat care limited. Mat care’s success was hinged on its ability to take some of the risk of providing maternity services via a fixed fee package that will incentives the providers to control costs. The fixed fee package therefore realigns the health insurance company’s objectives and Mat care. Both organisations will want to minimise cost and fraud. Mat care was to be a specialised unit handling only a female clientele for their maternity and gynaecological needs. The concept was a success because of the following reasons. It was the first private unit of its kind in the country. There was no specialised unit in women’s health in Kenya and no hospital or company offers comprehensive maternity
package. Specialisation perfects the core business and creates excellence. It also acts as a referral centre for the other institutions in the region and offer fixed low cost packages for the general public and to the insurance industry. Over 70% of patients in hospital are women and children. (Specialist women facility now open to all, by Catherine riungu, special correspondent for East African Newspaper.) Healthcare Mat link limited has the trade name as Nairobi Women's Hospital. The Gender Violence Recovery Centre (GVRC) which is registered as a non-profit making; non-partisan, charitable trust of the Nairobi Women's Hospital, GVRC has been in operation for 12 years. The Centre provides free medical management, HIV Post Exposure Prophylaxis (PEP) and psychosocial treatment to survivors of Gender Based Violence (e.g. rape, defilement and domestic violence). While the Centre serves mainly women and children survivors of gender violence, male survivors also make use of the services. GVRC has treated over 22,000 survivors of Rape and Domestic violence since its inception. The Youngest survivor of sexual violence is a month old baby girl and the oldest being 105 years old grandmother. The GVRC vision is to create a society free from gender based violence. The GVRC mission is we are the centre of excellence in the prevention and management of gender based violence in Africa. The purpose of GVRC is to bring back meaning to the lives of the survivors and their families.

In Africa, there is a huge shortage of healthcare workers. In Kenya the situation is not any better. The school was set up in 2008. The centre has enlisted a lot of good will from the general public based on the strong brand of the hospital. A real challenge in school expansion is availability of physical facilities Vs the stringent requirement rules by regulatory bodies. The need for a standalone medical school is huge.
NWHMTC plan is to become a fully fledged university by the year 2016 offering healthcare courses that keep in line with changing healthcare trends and needs. The school has just begun the school of nursing and intend to train various medical degrees in the future. The vision of NWHMTC is transforming healthcare education in Africa. The mission of NWHMTC is our graduates are passionate about healthcare.

The Africa Health Fund, managed by private equity fund manager Aureos Capital made its first investment, acquiring a stake in the Nairobi Women's Hospital for US$2.66 million. This is the first investment by the fund which was launched in June 2009 and aims to raise $100 million, with a final close in 2010. The fund is backed by International Finance Corporation, African Development Bank, DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH), and part of KfW banking group and Bill & Melinda Gates Foundation. Together they have all invested $57 million. Aureos specialises in investing in small to medium-sized businesses in emerging markets. The objective of the Africa Health Fund is to increase access to, affordability and quality of health-related goods and services for Africans, especially those at the bottom of the income pyramid. At the same time it hopes to provide investors with good long-term financial returns.

To sustain the strong brand NWH also embarked on a re-branding journey in 2010. As a result the logo and brand colours have changed. Cutting edge technology has been put into place through the purchase of a hospital information system that improves the operations of systems and is more efficient. In a bid to empower the public about preventive medicine the hospital gives free health talks and free medical
checkups. This reduces the mortality rate as most diseases are potentially curable if diagnosed early.

In early 2011, the hospital acquired a mammography unit donated by the Safaricom Foundation. NWH has through this launched the breast health initiative program and is aimed at empowering the public with knowledge and treatment in breast health at the comfort of their homes or offices. Several medical camps and screening exercises have been conducted all over Kenya thanks to the mobile van. In an effort to preserve the environment, in 2011 NWH bought and installed an incinerator in the Adams branch which is the largest incinerator in Eastern Africa. With the ever changing taste and preference of the target customers the NWH has set up a business development department that will lead in innovation by establishing a wellness centre and an oncology centre among many other things.

With a staffing capacity of over 500 and the ever expanding services and products, the Nairobi Women’s Hospital continues to grow in great abounds in the promotion of affordable health to the people of Kenya and Eastern Africa. Just as banks are now expanding to the East African region so is the NWH planning to have a physical presence and make medical care more accessible to as many people as possible. To date NWH has 5 branches at Hurlingham, Adams arcade, Ongata Rongai, Kitengela and a standalone pharmacy in Kiambu. The coming soon sites are Nakuru and Eastleigh. NWH has a total of 268 beds by December, 2012.
1.2 Research of the problem

The success and future existence of any organisation largely depends on the appropriate strategy developed and proper implementation of the same. A good strategy can be developed but poor implementation could lead to failure of the entire strategy. Hence it's important to focus on strategy development and study it in order to understand how best to formulate the best strategy and what approach to use and how to go about the implementation process to ensure that implementation is on point to avoid failure.

Ansoff and McDonnell (1990) regard strategy formulation as a formal and disciplined process leading to a well defined organisation wide effort aimed at the complete specification of corporate, business and functional strategies. Strickland and Thompson (1998) argue that strategy formulation has a strongly entrepreneurial character in the sense that managers have to choose among alternative strategies and to pursue approaches this entails at least a small amount of adventure behaviour and risk taking. According to World Bank (2002) strategy formulation is a process through which stakeholder's influence and share control over developmental initiatives and decisions and resources that influence them. It's thus a process through which these stakeholders influence and share control over priority setting, policy making and resource allocations and access to public goods and services. In whatever context or reason strategy formulation processes allow countries to exchange information and hence increase transparency of their decision making.

The NWH is currently under-going transition due to expansion and entry of investors who are interested in impacting the health sector by partnering with private sector. Also a new board has been constituted and the old members have exited. The new
board members are younger and more vibrant and with vast experience and expertise. There has been a change in senior management since a lot of new blood and those with vast experience have been employed. A new strategy has also been developed hence the atmosphere is generally of change ten years since the founder opened doors to the public.

Current trends show that the public sector has been influenced heavily by the private sector management practices Rose and Lawton (1999). From the following list of previous studies it appears that very little research has been carried out concerning strategy development in hospitals. Hence this research would contribute to enriching existing knowledge about strategy development in private hospitals. However previous works include: Strategy development and its challenges in Kenyan public corporations : A case study of NHIF by Malusi (2006), Strategic management practises at Mater hospital by Njenga (2006), Strategy development processes and factors influencing them at Kenya pipeline, by Owuor (2006), Strategy development at Lonrho Africa plc by Nyamweya (2005), Strategic development for the catholic diocese of Machakos development initiatives by Odhiambo (2005), Strategy formulation: A case study of community development trust fund by Kiuna (2007), Strategy development processes in the government departments in Kenya by Ndumbi (2006)

1.3 Research objectives

The objectives of this study were:

i. To establish the strategy development processes at the Nairobi Women’s Hospital in the past and.
ii. To identify factors that influence strategy development in Nairobi Women's Hospital.

1.4 Value of the study

The study will be of interest to the private hospitals that will be able to use the findings herein to compare their strategy development processes to those of other hospitals. They will hence learn from each other. As a result there is going to be greater sharing of knowledge within the medical industry.

Strategic management practitioners who will find the information documented herein useful in understanding how hospitals develop strategy. This will eventually be important for strategy formulation for the medical industry and even others that could emulate certain factors in order to succeed.

The government will find the information of use because private sector hospitals provide a key pre-requisite for successful health care delivery. The findings from this will aid health planners to formulate and implement policies to support the government stated objectives and health sector goals. As a result this is important for policy formulation in government and planning the medical needs of the nation.

The donors who are currently funding various sectors of health or those looking for an opportunity to venture into. Investors to whom it will provide a well informed entry decision. This aids in identification of new niche markets and ultimately a healthier hospital industry and population.

Strategic management and business scholars in general will be able to understand how local competition is shaping the operations of modern day organizations. This study
will also be a basis for further research on local competition and how private hospitals are adapting to local competition.

The public would be interested in the information in order to make more informed choices about where to seek better health care services. Also, to build on existing knowledge of strategy development in hospitals and add on to their knowledge about operations of private hospitals.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is about the literature review that related to strategy development.

Included is the definition of strategy, the approaches of strategy development and factors that influence strategy development.

2.2 Concept of strategy

Strategy can be defined as what the organisation is planning to do in future. This can be in the short or long term. Ansoff (1965) strategy is the common thread among an organizations activities and product/market that defined the essential nature of the business that the organization is in or planned to do in future. Drucker (1954) the determination of the basic long term goals and objectives of an enterprise and the adaptation of courses of action and the allocation of resources necessary for carrying out these goals.

Strategy can also be defined as the choice made among alternatives as a result of scarcity of resources to optimize the organisations performance. Chandler (1962) strategy is the establishment of the long term goals and objectives of an organization including the actions, allocation of resources for achieving these goals. Due to scarcity of resources, the strategy that is chosen should be one that optimizes these resources in the pursuit of the organizational goals and objectives. Andrews (1971) strategy is the pattern of major objectives, purposes or goals and essential policies and plans for achieving those goals stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be.

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A well formulated strategy enables an organization to marshal and allocate its resources in a unique way on the basis of its relative internal competencies and limitations, anticipated changes in the environment, and contingent actions of the competitors. Quinn (1980) strategy is a plan that puts together an organization's major goals, policies, and actions sequences. Porter (1980) strategy is the central vehicle for achieving competitive advantage in the marketplace. The aim of strategy is to establish a sustainable and profitable position against the forces that determine industry competition. It's the means by which a firm tries to gain a competitive advantage. Glueck and Jauch (1984) strategy is a unified, comprehensive, and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution of the organization. Chaffee (1985) strategy is an organization attraction of individuals in a social contract or a collection of cooperative agreements. Strategy helps enhance or elicit cooperation from the various stakeholders of a company. Such is essential in achieving company success.

Strategy is a conscious course of action that is designed to enhance the performance of the organization and to outperform the competitors. Mintzberg (1987) strategy is a plan, ploy pattern position and a perspective. As a plan strategy is a consciously intended course of action of a company. It's designed in advance to outwit competitors. As a pattern emerging into a consistency in behavior's a position it is a means of locating an organization in its environment. As a perspective it consists of a position of an ingrained way of perceiving the world. It gives a firm an identity or a personality.
From the multiple definitions given it’s clear that strategy is a multidimensional concept. Hax and Majluf (1988) strategy is a coherent, unifying and integrative pattern of decisions. It determines and reveals the organizational purpose in terms of long term objectives, actions, programs and resource priorities. It selects the business the organization is in or it to be in. Johnson and Scholes (1997) strategy is long term direction and scope of an organization that facilitates the achievement of an advantage for the organization through the mode of arrangement of resources within a changing environment. This enables the organization to meet the needs of markets and to fulfil the stockholder’s expectations. Thus the strategy is viewed as matching of the activities of an organization to the environment in which it operates. Pearce and Robinson - strategy can be seen either as the building of defences against competitive forces or as the finding of positions in the industry where competitive forces are weakest. Grant (2000) adds that the ability to identify and occupy attractive segments of an industry is critical to the success of an organization. Hill and Jones (2001) concluded that the strategies and organization pursues have a major impact on its performance relative to its peers.

2.3 Approaches of Strategy Development

Strategy development is viewed as exclusively shaping the future direction of the firm. Thus strategy becomes the collection of objectives and action programs orientated at managing the future change of the organisation. Hax and Majluf (1996). According to Johnson and Scholes (1997) the way strategies come about is important because they influence strategic decisions and strategy implementation. Strategy making should involve bringing together the top and the bottom in a bradawl participative process in which all parties play and executive role. Senior executive
control the means for changing shape but they do not control the thinking. Goetsch and Davies (2000).

Senior managers can develop strategies and plans but there is likely to be more commitment to them if employee participation in their development and implementation is encouraged. Oakland (1985). Strategy development in an organisation does not necessarily happen through one off major changes. Historical studies of organisations have shown that there are typically long periods of relative continuity during which established strategies remains unchanged or change incrementally and there are also periods of flux in which strategies change but in no clear direction. Transformational change in which there is a fundamental change in direction does take place but are infrequent. Johnson and Scholes (2000).

Whether the process of strategy formulation should be formalised is a subject to controversy. On one extreme there are those who believe in an integrated decision making process that review heavily on analytical tools and methodologies to keep managers at all levels to reach a better quality of strategic thinking. The second school of management rest son the behavioural theory of the firm and exposes a power-behavioural approach to strategy formulation. The school emphasizes multiple goal structures of the organisation, the politics of strategic decisions, executive bargaining and negotiations, the role of coalition in strategic management and the practices of muddling through Hax and Majluf (1996).

Different processes account for the development of strategy and the mix of such processes is likely to differ by organisational or organisational context forming configuration are associated in the different context. The logical incremental account of strategy development is not commonly to be found among managers in
organisations in relatively stable or benign environments. The rational command dimension on the other hand tends to be most evident in hostile or competitive organisational environments. Muddling through is commonly found in professional service type business where there may be many influential partners and long established tradition. Not surprisingly the externally dependent account is found in public sector organizations or subsidiaries of conglomerate where there is a likelihood of strategy being imposed outside the organisation. Johnson and Scholes (2000). How are strategies developed? According to Johnson and Scholes (2000), there are three general explanations of strategy development in organisations. Managerial intent, logical incremental view, cultural view and political network processes and imposed strategy.

Managerial intent. It is assumed that strategies develop as a result of deliberate managerial intent which can be explained in different views. There is planning view- strategy comes about through highly systemised forms of planning. Here corporate planning departments are setup with prescribed tools and techniques that are used. The command view where strategy is seen as an outcome of the influence of individuals or small groups but not necessarily through formal plans. At the extreme strategy could be seen as the product of an autocratic leader who brooks no argument and sees others as there to implement his or her decisions.

The logical incremental view. The strategic choice taken place by comparing options against each other and considering which would give the best outcome and be possible to implement that strategy building takes place through successive limited comparisons in the everyday world of managing. This one opposes the idea that strategy building can be managed through neat, logical sequential planning
mechanisms are unrealistic. The idea that the implementation of strategy somehow follows a choice which in turn has followed analysis does not hold rather strategy is seen to be worked on through action.

Cultural view and political and network processes. Strategy development can be explained in political terms. Powerful internal and external interest groups in organisations can influence the different inputs into decisions. In networking processes different interest groups or operations in which need to cooperate with each other negotiate what needs to be done and finds ways of accommodating different views engage in professional service firms such as accountants, lawyers etc. This may not be organised hierarchically but will have cooperated and found ways of working with each other over many years.

Organisational culture is the deeper level of basic assumptions and beliefs that are shared by members of an organisation that operate unconsciously and define in a basic taken for granted fashion and organisation view of itself and its environment. Management cannot be conceived of just in terms of the manipulation of techniques and tools of analysis. It is also the application of experience build over years often within the same organization or industry. This is rooted not only in individual experience but also in-group and organisational experience accumulated over time. This taken for granted is likely to be handed down over time within a group. That group might be for example a managerial function such as marketing or finance.

Imposed strategy development. There may be situations in which managers face enforced choice of strategy. Government may dictate a particular course of direction for example in the public sector or where it exercises extensive regulation over an
industry or choose to deregulate or privatise an organisation previously in the public sector.

Emergent strategy. A strategy is considered deliberate if its realisation matches the intended course of action and emergent when the strategy is identified from the patterns or consistencies observed in past behaviour despite or in the absence of intention. Hax and Majlif (1996). They further add that managers need deliberate strategies to provide the organisation with a sense of purpose full direction. Emergent strategy implies learning that works – taking an action at a time in search for viable pattern or consistency. Emergent strategy means that management is open, flexible and responsive i.e. willing to learn. It matters that those who are seeking to influence strategy development in an organisation be aware of and take account of the processes actually at work in the organisation Johnson and Scholes (1997).

2.4 Factors that Influence Strategy Development

The Organisation culture is the deeper level of basic assumptions and beliefs that are shared by members of an organisation that operate unconsciously and define in a basic take for granted fashion and organisational view of it and its environment. Johnson and Scholes (2000). According to Rowe et al (1994), organisational structure is the total sum of shared values, attitudes, belief and norms, rituals, expectations and assumptions of people in an organisation. Thompson (1997) argued that the organisational culture and values held by managers and other employees within the organisation are key influences on strategies of change and therefore central driving consideration in strategy creation and change.
According to Hamel (1996), any company intent in creating industry revolution has to identify the unshakable beliefs that cut across the industry. The industry conventions and the company must search for discontinuity in technology, lifestyle, working habits or geopolitics that might create opportunities to rewrite the industry rules. Johnson and Scholes (2000) point out that such taken for granted assumptions are also likely to exist at the organisational level. The organisational paradigm can be especially important as an influence on the development of organisational strategy. They observe that an organisation paradigm can be traced to different influence: an organisation with a relatively stable management, long term momentum of strategy is likely to have a more homogenous paradigm that one in which there has been rapid turnover of management and significant change forced upon it. Organisations with a dominant professional influence perhaps an accounting firm are likely to demonstrate a homogenous paradigm. Industry influence may be particularly strong if the transfers of staff between firms tend to be limited to that industry, as is often in engineering, banking.

The organisational leadership. Managing the complexity of strategic development. Strategic change places special demand on change agents. These are people with leadership qualities Johnson and Scholes (2000) leadership is the ability to inspire people to make a total willing and voluntary commitment to accomplishing or exceeding organisational goals. Goetsch and Davis (2000) leaders must be able to overcome resistance to change, broker the needs of constituency groups inside and outside of the organisation and establish and ethical framework within which all employees and the company as a whole operate. According to Thompson and Strickland (1993) effective strategic leadership starts with a concept of what the
organisation should and should not do and a vision of where the organisation needs to be headed.

Stakeholder's politics. Stakeholders are those individuals or groups who depend on the organisation to fulfil their own goals and in whom in turn the organisation depends on them. Johnson and Scholes (2000). They note that it is helpful to analyze and understand the expectations of different stakeholders in much more detail and in particular to consider the extent of which they are likely to show an active interest in the strategic development of the organisation or seek to exercise an influence over its purpose and strategies. Stakeholders are the external parties the organisation interacts with but also concern internal parties such as staff and the board. Joldersma and Winter (2002) argue that because organisations deal with different interests' political power struggles between stakeholder's conflicts are more likely to occur. The organisation has to interpret, weigh and balance stakeholders values and interests Hrebiniak and Joyce (1984), Dean and Sharfman, (1993), Tassie et al (1996) Hill and Jones (2001) see organisational politics as tactics that strategic managers and stakeholders engage in to obtain and use power to influence organisational goals and change strategy and structure to further own interests. The most important to manage in politics are the managers immediate supervision- the political executives at the core of political management. The actors who are always present and must always be attended to are those who appoint the manager to their offices, establish the terms of their accountability and supply them with resources. Public managers are practically, legally and ethically accountable to many officials than their immediate to many officials other than their immediate political superiors.
The media. The press determine which issues will come to the public attention and intense media pressure profoundly shapes the processes of the general public deliberation.

Interest groups. Citizen associations and interest groups feature in the authorising environment as well. Sometimes such groups are organised to advance the economic interest of their membership. Other interest groups are organised to advance the political aspirations and public values of interest group members. These groups concerned with the environment, consumers, tax limitation and youth advocacy. These groups’ determination, knowledge and established relations (at different levels of the authorising environment) make them powerful obstacles to building support and legitimacy for policies they oppose.

The Courts. These are important elements of the authorising environment. They sometimes interfere directly in agency operations by telling the agency that a decision it made was inappropriate and must be reconsidered and changed or by ruling that an agency’s action was wrong the party adversely affected must be compensated. The courts derive such powers from their role as interpreters of what the constitution and laws of the country and state require of organisations and managers.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter is about the research design that was adopted for the research, how the data collection was conducted and how the data collected was analysed.

3.2 Research Design

The study used the case study design because it enables in-depth understanding of the behaviour pattern of the concerned subject which is not possible with different methods and possibilities. NWH is unique by virtue of being the pioneer of the GVRC (Gender Violence Recovery Centre) and the first private hospital to attract venture capital from investors. It is intended for elicit information on the strategy development processes in NWH in the past and the factors that influence decision making. This should help to gain better understanding of the current situation and clarification of concepts.

3.3 Data Collection

For the case study both primary and secondary data sources were used. Primary data was collected through interview guides that were directed to top and senior managers (especially those who are over 5 years working in the organisation). The respondents should be 10 in total. By virtue of their positions they are thought to be more conversant with the strategic issues affecting the organisation and also the institutional knowledge of the organisation of how it has been before and after the transition. The interviewees by virtue of their positions were thought to be more conversant with the strategic issues affecting the industry and the strategic direction
the hospital is pursuing. Secondary data collection was used and derived from the published company reports; website information, electronic newsletters and journals available as well as newspaper articles. The information collected was largely qualitative in nature.

3.4 Data Analysis

The researcher intended to collect qualitative data and therefore used content analysis as the most appropriate method of data analysis. The researcher analysed the data obtained and focused on aspects that highlight the factors that influence strategy development and also the strategy development process. Previous studies that have successfully used content analysis include Kiptugen (2003).
CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter documents the findings of the strategy development process at the Nairobi women’s hospital and factors that influence strategy development process. The primary data was collected mainly through an interview guide to top level managers as well as some Board members. The secondary data was collected through published company reports; website information, electronic newsletters and journals available as well as newspaper articles. The data collected was mainly quantitative and therefore the research used content analysis to analyse the data.

4.2 Findings of the Research

This section seeks to document the information obtained with regard to shareholding/ownership structure and the nature of business the company engages in. The shareholding/ownership structure may to some extent determine how the strategy development process was determined in the past.

4.2.1 The Ownership Structure

The company has been in existence for 12 years. It was founded 10th March, 2001. The shareholding structure since inception to date is as follows. From 2001 to 2009, the founder was the major shareholder with 60% and 40% was split between 5 other doctors. In the year 2009, Aureos investors came on board and the shareholding structure changed to the founder holding 74% and the new investor having 26%. The source is NWH annual audited financial statements of year 2002-2010. This explains why the strategy development process in the past has been heavily influenced by the
board and the CEO who is also the founder of the company since he holds the
controlling stake. Strategy development process in the past was heavily determined by
the CEO.

4.2.2 The Financial Performance of the Organisation

The research sought to find out the financial performance of the organisation over the
past 10 years. This is summarised in the table below. The source is audited financial
statements for the organisation for the year 2001-2010. From the analysis it appears
that as the turnover has been increasing, the expenditure has also been increasing
directly proportionately to turnover. In 2009 the company had its best performance in
terms of EBITDA and EAT.

Table 1- Summary of financial performance of NWH from 2002-2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
<td>KSH'000</td>
</tr>
<tr>
<td>hospital expenses</td>
<td>-61,323</td>
<td>-97,057</td>
<td>-128,879</td>
<td>-190,699</td>
<td>-255,745</td>
<td>-257,693</td>
<td>-266,688</td>
<td>-312,764</td>
<td>-507,479</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-5,269</td>
<td>1,323</td>
<td>13,997</td>
<td>8,436</td>
<td>3,566</td>
<td>-3,932</td>
<td>5,436</td>
<td>-49,099</td>
<td>-69,636</td>
</tr>
<tr>
<td>less dep,interest,tax</td>
<td>-5,269</td>
<td>-3,945</td>
<td>185</td>
<td>2,092</td>
<td>1,688</td>
<td>-5,367</td>
<td>3,773</td>
<td>33,761</td>
<td>-48,162</td>
</tr>
<tr>
<td>EAT</td>
<td>-5,269</td>
<td>-3,945</td>
<td>185</td>
<td>2,092</td>
<td>1,688</td>
<td>-5,367</td>
<td>3,773</td>
<td>33,761</td>
<td>-48,162</td>
</tr>
</tbody>
</table>
4.2.3 Nature of business

The researcher sought to establish the actual nature of the business that NWH engages in. The respondents were asked to explain the core business. The information obtained was that NWH focus is the provision of healthcare services. This ranges from outpatient services, inpatient services, theatre cases and special clinics etc. NWH however engages in activities that are linked to healthcare but do not necessary core to be business such as incineration, running a morgue and a medical training school. The GVRC medical core function or focus is provision of post prophylaxis (emergency medical care given to sexually assaulted persons for purposes of preventing pregnancy and HIV) and psychosocial support to GBV survivors and their families.
4.2.4 The Vision and Mission Statements

The researcher sought to know how many times this has changed and the reasons behind the changes. The respondents were asked to explain what events preceded the changes. The information obtained was that the vision and mission have changed three times over the past 12 years. The first time the vision read: We aim to be the centre of excellence for the health care of women in the region. And the mission read: To provide high quality, affordable, comprehensive care to women before, during and after delivery and to their newborn infants. The second time it changed was as a result of a strategic board and senior management retreat in Naivasha in the year 2008. The vision read: to be the centre of excellence in the provision of superior, holistic healthcare services to women and children in eastern Africa and the mission: to be the unmatched provider of excellent, personalised and affordable healthcare services to women and children in Eastern Africa. Then it changed the fourth time as a result of management wanting to align it to the strategy and make it simple and easy to remember. The vision now reads that: we are trusted with the healthcare of our women in Africa and the mission: With passion we deliver healthcare. This is not the usual vision and mission statement. The reason being that it was straight from the heart and embodied all the actions that NWH wanted every action that staff took to be based on these simple statements.

4.2.5 Strategy Development Approach

The research sought to find out what approach was used in strategy development process in the last 12 years. The respondents all identified the approach of managerial intent. The management has always made the initiative to lead in the strategy
development process. In 2002 the founder developed the first NWH business plan for the Mat care limited. In 2007 a consultant was engaged to review the business plan of the GVRC and NWH. In 2008 a partner for expansion of the hospital was being sort and was being explored between the James Jordan foundation and the NWH. In 2009 the senior managers went for a strategic retreat to develop a strategy for the next 5 years to expand the organisation. In 2011 the board engaged an external consultant to review what had been done and to align the strategy and develop an implementation plan of the same. This did not work out well and the findings were abandoned. As a result of a market survey conducted in 2010 about where our customers come from, it became clear that most clients came from the Eastland's area which is quite a distance. Those living in the neighbourhood were not frequent visitors as one would expect in Hurlingham. As a result the hospital thought that services must be offered at the convenience of the clients. Hence the need to expand and reach more people and reduce the distance travelled become very clear. As a result of this in October, 2010 the Adams Arcade branch opened doors. In 2011, the Ongata Rongai branch opened doors and in April, 2012 the first medical outpatient centre was opened in Kitengela and many more are planned for to cover not only Kenya but the East African region and eventually Africa.

4.2.7 Marketing and Human Resource

The marketing strategy in the beginning was below the line. The hospital relied heavily on the media attention that the GBV cases highlighted. Hence the awareness about the existence of the facility was raised. There was no clear budget allocation and further to that no allocation for corporate social responsibility (CSR) activities. The NWH heavily relied on the GVRC awareness activities funded by donors to
create awareness. Due to NWH uniqueness this worked in the beginning until other hospitals began to copy the GVRC concept and opened centres. E.g. Kenyatta hospital and Karen hospital. Other private hospitals also began to come up and those that existed before began to specialize in maternity and gynaecological cases and this resulted in the uniqueness being diluted. With time it became apparent that aggressive marketing needed to be conducted and substantive amounts of monies needed to be allocated especially for the new branches that were being opened up.

The brand colours of the organisation have changed twice - in 2002 it was navy blue and magenta, in 2008 it changed to blue and pink and in 2010 it changed to navy blue and pink. The logo since inception has change once in 2011 after a brand assessment exercise was carried out by Scan group. After the assessment, the logo was found to be weak hence the need for change and make it more prominent. The logo now is that of a care giver and is more prominent now.

Initially the CEO and the Matron were responsible for everything and made decision concerning finance, procurement, marketing etc even in areas that were not of their specialisation. So together they handled the Human resource aspects up until the year 2006 when the staff total was 110. In 2006, the Human resource department was established due to increased demand for structure in the way things were being done. There was a need for justified scales and grades for salaries, organised appraisal and performance systems, payroll accounting etc.
4.3 Factors that Influence Strategy Development in NWII

The willingness of the board to invest in the process of developing a business strategy and implementing it. The strategy development approach was top down. Staff did not play an participatory role in the development of the strategy process. The board and managers took a strong lead in deciding the direction of strategy.

The organisation was at the stage of growth where the business was beginning to stagnate. Hence something different required to be done so that the organisation continues to grow in another new direction. Hence the need was felt to develop a new strategy. The involvement of external consultants. They were believed to be experts in the strategy development process. However they did not understand the business model of the Nairobi Women’s Hospital and the Gender Violence Recovery Centre.

Over-reliance of one donor for expansion purposes in 2007(The Michael Jordan foundation chaired by Deloris Jordan). This arrangement relied solely on the fact that the government would come in as a partner to provide land for the organisation to setup a bigger facility for its purpose. There was no contingency plan should this not work out. Hence when it did not work out it took a while to regroup and follow another path.

The senior management team and managers were not having the competence/capacity to cascade the strategy. They also did not have the knowledge of how to align staff to the strategy developed. There was also an issue about lack of adequate funds for training and capacity building which is a huge cost though an investment in the long run.
The consumers of medical healthcare services are nowadays more literate than before thanks to the internet and vigilant consumer awareness groups. This has resulted in patients demanding for higher quality of care and also the doctors now have to take a little more time to engage with them as compared to before where what the doctor said was taken to be the only truth. This trend has also resulted in several people self-medicating rather than going to see a doctor. There are new regulations by NEMA concerning external environmental audits. Hence before a hospital is licensed or incinerator NEMA now request for this as a pre-requisite.

Technological changes. Implementation of a robust HMIS system. The organisation has undergone sourcing/training and implementation of 3 types of different information systems since inception. This causes interruptions to operations during times of transition from one system to another and eventually translates to loss of revenue. There has also been adaptation of technology and use of social networks for marketing- face book, twitter etc. Just 4 months ago NWH took a hard hit on social media when some negative information was posted and circulated. The financial statements during the same period indicated a decline in patient numbers but recovered after that. Therefore, these mediums of communication are quite powerful. Technologically the challenges have been sourcing and implementation of a robust Hospital Management Information system to monitor activities in all the branches, adaptation to new technologies for communication and marketing purposes eg websites and social networks e.g. twitter, face book etc.

Growing and greater expectation from the public of NWH. Due to the huge media attention that some GVRC cases receive, the GVRC had an increased number of patients and as a result there has been great need to step up a fundraising team and
establish strong networks for fundraising through partnerships. The hospital in 2010 embarked on an expansion strategy into the cities outside of Nairobi and eventually into the African region. To date NWH has opened facilities in Ongata Rongai, Kitengela, and Kiambu. The coming soon sites are in Nakuru and Easleigh respectively. Next year they plan to open in Kisumu, Eldoret and Mombasa. This kind of project requires great funding and co-ordination hence a new department for expansion was formed and a corporate office which is charged with this responsibility. The funding options explored were equity, debt, debentures, overdrafts etc. This requires a lot of due diligence to be done for marketing as well as various financial models to be explored to justify existence of such hospital units and to be able to attract funding.

High turnover at managerial level has also affected the operations. There has also been need for processes to be redesigned and streamlined e.g. establishment of audit/human resources/procurement departments. As the organisation began to grow bigger the need for specialization and appreciation of the roles emerged.

Succession planning has become key because as new units open up the existing units have to continue to operate and the staffing for new units has to be hired ahead of the curve in order to facilitate adequate induction on the NWH systems. The staff turnover was also high and in 2011 the salary grades and scales in particular for nurses had to be reviewed to stall this trend with the intended expansion plan. The Medical training school also began training students in nursing in 2012 in order to help bridge the gap of shortage of nurses in the healthcare industry in general.

Another challenge is the lack of clarity of actions/roles/implementation plan for the strategy developed.
Over the years NWII has seen a significant increase in the patient numbers walking through their doors. Due to increased business activity the number of litigation cases also increased over the years. This also as a result of consumers being more aware of their rights and having ready access to information on the internet. The GVRC in particular has seen increased numbers due to awareness campaigns conducted on media. As a result more fundraising activities have come up. E.g. Friends of GVRC and the annual corporate fundraising dinner. Also the mentality that NWII offers free services has created the need to create consumer awareness of what services are charged free and those services that need to be paid for. The GVRC has also been important in lobbying for the passing of the sexual offences bill in Kenya and is also recognised for giving expert witness to the ICC on behalf of the PEV victims as well as giving expert court witness for cases locally. Also GVRC being a recognised voice in the health sector is now able to give expert views and has been able to see the inclusion of management of gender based violence in the nurses training manual. This was not there before. They have also been able to conduct several capacity building trainings in management of gender based violence in almost all areas in Kenya and Africa.

Environmentally the NWH outsourced the incineration services to begin with. However to date they own and incinerator that is one of the largest in east and central Africa. They do not only incinerate the waste from all the branches but also have turned it into a business venture and incinerate for other companies and hospitals.

Increased costs of healthcare have lead to many people seeking to self medication and this has also resulted in a lot of people seeking for value for money. Hospitals have been forced to come up with competitive packages for their customers.
4.4 Discussions Of Findings.

My findings agree with the literature review in that strategy is the choice made among alternatives as a result of scarcity of resources to optimize the organisations performance. Chandler (1962) strategy is the establishment of long term goals and objectives of an organisation including actions, allocation of resources for achieving these goals.

Strategy is a conscious course of action that is designed to enhance the performance of the organisation and to outperform the competitors. Mintzberg(1987) strategy is a plan, ploy pattern position and a perspective. As a plan strategy is a consciously intended course of action of a company. It’s designed in advance to outwit competitors. NWH choose to focus on women’s healthcare as their core business while providing free services to survivors of GBV. Most hospitals operated as general hospitals and did not see the need to do this. Now, everyone is moving in to capture this target market.

As a pattern emerging into a consistency in behaviour’s a position it is a means of location an organisation in its environment. As a perspective it consists of a position of an ingrained way of perceiving the world. It gives a firm an identity or a personality. NWH is well known because of the work they do through the GVRC. It’s also known for providing quality and affordable healthcare to the middle and lower class population. NWH has a clear plan, it is well known for maternity and gynaecology. For NWH, over the 12 years of its existence they have actively sort out to improve and compete and is no longer viewed as a small hospital.

Factors that influence strategy are the organisation leadership. Thompson (1997) argued that the organisational culture and values held by managers and other
employees are key influences on strategies of change and form a central driving force in strategy creation and change.

Another factor is expectations the interest groups, media and the courts. NWH management team has taken charge of strategy development going by the history. It has also actively contributed to the legislative process of the Sexual Offences Bill and they have also been highlighted quite prominently in the media over the last 12 years due to their work with survivors of domestic and sexual violence and in fighting for justice for such survivors.

According to Johnson and Scholes (1997) the way strategies come about is important because they influence strategic decisions and strategy implementation. Strategy making should involve bringing together the top and the bottom bradawl in a participative process in which all parties play and execute roles. NWH strategy approach has been two fold. The management team has taken an active role in actively developing a strategy. However the approach has been bottom up inorder to buy the staff goodwill and to facilitate change which makes resistance minimal.
CHAPTER FIVE: SUMMARY AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusions and recommendations. It will also highlight the limitations encountered while doing the research as well as giving suggestions for further research and recommendations for policy and practise.

5.2 Summary of findings

The study looked at the strategy development process in the past in NWH. This is because the NWH has undergone a lot of transition and it still is ongoing. Also the share holding structure changed when investors came on board in the year 2009. This saw an exit of all existing shareholders with the exception of the founder and the incoming of a new board partly consisting of members from the investor company (Aureos) to represent their interests.

The objective of this study was to establish the strategy development process used in the past and also to identify the factors that influence the strategy development process. The study established that the strategy development approach used in the past was indeed managerial intent. The direction of strategy development was heavily determined by the board. In each case of change of strategy there was a recognised phase of planning.

It also established that the strategy decisions were mostly made by the board. The study established that the approach was top-down for strategy development.
The study established that indeed the managers understood what the definition of strategy is. Most of the definitions given were similar to those given by scholars and they all clearly understood what the core business of the organisation is.

All those interviewed felt that the approach of strategy development has not been effective in their opinion. Hence when a strategy is being developed there is need to involve the staff and let the process be a participatory exercise for all staff. Hence any changes resulting from the process is viewed positively. Therefore it's necessary that the strategy development process/approach be bottom up. The study established that the factors influencing the strategy development process are many and diverse as listed below.

Government/politics: Depending on the policies that the government of the day adopts this could either facilitate or hinder particular strategy decisions in the industry. A good example would be the decision by NHIF to offer comprehensive services to the public. This is a noble and good idea. However if all companies and parastatals are to sign up under this arrangement a lot of insurance companies and private hospitals with direct accounts with them would significantly be affected. Hence they strongly oppose this move.

Awareness of consumers about their rights: The more aware the consumers are about their rights the more they demand and expect. This is a good thing because it raises the bar for quality assurance in the industry and leaves little room for mediocrity. In NHII a patient document known as patient rights had been developed about what they must know and what their rights are and what they must hold NHII accountable to. Such open communication facilitates a lot of feedback and improvement in clinical service given.
Organisational management: The board and the management team define the path and future of the organisation. This is based on the strategy formulated and decisions made in the process on a day to day basis. The NWI in 2010 reconstituted the board when new investors came in, as a result a wealth of diverse experience is shared with the team and a new strategy was developed which is in implementation now in 2012.

External consultants/experts: These individuals are important because they offer an expert opinion. In some cases they may not really understand the industry so well and may not had adequate insider information to make informed opinions. This is a limitation. However, generally what they propose is usually highly regarded by the organisations management. NWH had at some point hired an external consultant to work on a strategy document. This document was never implemented since the management team struggled to understand the contents and did not relate with it. A bottom up approach would have been better.

Media: this plays a huge role in information, advertising and even lobbying purposes. the media is seen as a powerful tool and one must align themselves or else become subject of negative conversation. When the NWH experienced the negative face book feedback, most media companies gave this a blackout since NWH had a good rapport and have established a good relationship with media due to the several cases highlighted on media. As a result of the constant good work they felt that these issues must be dealt with internally and they were not worth highlighting in the media.

Staff involvement in the process: staff involvement is key because the change and implementation bit of the strategy will be their role. The acceptance of the changes will be much easier because they understand why things must be done in a certain manner. The bottom up approach in strategy development is seen to be favourable
because of this. NWHI when developing the strategy involved the staff and incorporated their ideas by inviting them to an open feedback session with the board and management team. They felt honoured to be part of the process and owned the strategy in their respective roles. This made transition and change much faster.

Adaptation to Technology: This is important because a lot of organisations have gone paperless and most operate on the net. As a result, we have seen that leveraging on technology can take an organisation further than its competitors. However it has its challenges as well. NWHI for example opted to transition to HMIS system that is dependable on internet connectivity. When fibre is cut, they experience downtime and this result in revenue loss and customer dissatisfaction. Also the negative feedback on face book has been facilitated by the existence of such platforms. Moving forward organisations are looking at how to leverage on technology to bring in more sales, advertise, reduce negative exposure on negative feedback given through face book, twitter etc.

5.3 Recommendations for Further Research

Further research is important to build on the existing body of knowledge. It also gives insights as to why things are they way they are and this also facilitates comparative studies in the future.

Further research can be done on how effective the expansion strategy is because all the hospitals now are in an expansion phase.

Another area of research would be sustainability of strategy development approaches in a highly technology driven world. Also important to consider is the implications to policy and practices in the healthcare industry.
5.4 Limitations Of The Study

The limitations of this study are that it is a case study and as such the study is limited to a particular organisation only. It was at times difficult for the managers to find time to fill the questionnaires independently. I had to keep explaining terminologies for their understanding. Content analysis was used to analyse the data which is not qualitative in nature for accurate research methodologies. It has great limitations in itself.

5.5 Conclusions

The research objectives were fulfilled and we are able to identify the factors that influence strategy development in NWH and also how the strategy development process came about. My Conclusion is that NWH is on a great path and with the strategy implemented they are bound for greatness. This is a company to watch in the future.
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Appendix A

Letter of introduction

STELLA NYAMOITA

P.O. BOX 101425,00101

NAIROBI.

24TH AUGUST, 2011.

TO WHOM IT MAY CONCERN,

DEAR SIR/MADAM,

REF: MANAGEMENT RESEARCH PROJECT

I am currently pursuing a Masters of Business Administration (MBA) degree at the University of Nairobi. As part of the program I am expected to carry out research on a given topic. My topic is strategy development processes a case study of the Nairobi Women's Hospital.

Hence, I would like to request to collect data from some of your managers and previous board members so as to enable me meet the objectives of the study. Data that will be gathered will be treated with utmost confidence and upon completion of the research a copy of the findings will be availed to you on request.

I look forward to your assistance and co-operation.

Yours sincerely,

Stella N. Ontieri
Appendix B

Interview guide

NAME:...........................................................................................

NO. OF YEARS IN THE COMPANY.................................

POSITION IN THE COMPANY...........................................

SECTION A: COMPANY PROFILE

1. a) What are the company’s mission and vision statements?

   Mission..........................................................................................

   Vision...........................................................................................

   b) How often have they changed over the years?..............................

2. What was the shareholding structure of the organisation when you joined?

<table>
<thead>
<tr>
<th>Name/shareholder</th>
<th>Shares held</th>
<th>Percentage</th>
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</table>

3. How many employees did the company have when you joined?

   In Management ( ) supervisors ( ) other staff ( ) total ( )

4. What do you define as the core business of the company?

   ...........................................................................................
5. When did you join the NWH management? ..........................

Section B

1. How do you define strategy?.................................................................

2. What approach of strategy development approach best describes the process the NWH has taken over the past?
   a) Logic incremental
   b) Management intent
   c) Distinctive process
   d) Emergent process.

3. What factors have affected the strategy process positively in the past?

4. What factors have affected the strategy process negatively in the past?

5. How has strategy been determined in the past?

6. How effective has it been in your opinion?.................................
7. What factors have influenced decision making in the past?

8. Who have been the key decision makers in the past?

9. What are some of the challenges the company has faced as a result of strategy development in the past?

10. What are some of the opportunities the company has faced as a result of strategy development in the past?

11. What strategy process has NWH used over the years in your opinion?

12. What other macro economic challenges did the company face?

   Political/legal

   Environmental

   Social economic
13. What strategies were put in place to address each of the above?

Political/legal..............................................................................................................

Environmental...........................................................................................................

Social-economic...........................................................................................................

Technological.............................................................................................................

14. How did the company market itself in the beginning? What has changed over the years with the change in strategy?..............................................................................................................................

15. What changes have occurred in regard to branding?..........................................................................................................................................................................................

16. How has change in strategy affected the human resources processes of recruitment, appraisal, reward and recognition, performance management?........................................................................................................................................

17. What has been the financial performance of the organisation over the 10 years? How has change of strategy impacted on the finances?

THANK YOU