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EXTENT TO WHICH STRATEGIC PLANNING INFLUENCES PERFORMANCE OF THE HEALTH SECTOR IN NAIROBI CITY COUNTY, KENYA

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Abstract: The business environments in which organizations operate present a challenging context resulting from the many factors which companies have to compete within a complex unpredictable changing environment ranging from technological development, and exploitation of knowledge, brisk consumer preferences changes, globalization and rapid dissemination of new technologies. The researcher's main objective was to investigate the influence of strategic management practices on the performance of the health sector. The study was guided by the research objective of how strategic planning influenced the performance of the health sector in Nairobi City County, Kenya.

Methodology: The study employed descriptive research design since it minimized biasness. The study focused on the public health facilities in Nairobi City County. This study used primary data which was collected using questionnaires for the research. Simple random sampling was used to sample. The research instruments were validated by use of a pilot study, which was assessed by the supervisor. Data collected was analyzed using Statistical Package for Social Sciences SPSS.

Findings: Results show that majority of the respondents indicated that strategic planning is essential to facilitate the performance of the health sector in Nairobi County, there is need to use strategic processes, for proper performance. Further, the study found out that that proper strategic planning is a critical requirement in the performance of the health sector in Nairobi County.

Keywords: health sector, strategic management practice, strategic planning

Background of the Study

The health sector has led to economic growth and expansion in Kenya. The health sector has played significant roles that include money transfers, creating employment, generate revenue to the government through taxes, making contacts, facilitate exchange of ideas, consultations, networking and transmitting vital health information. Kabir (2010) stated that during the past decade, in the marketing literature and marketing practices, the importance of service quality has increased. Service quality is needed for swaying choice and creating consumer satisfaction. Service quality is connected and interrelates to consumer perceptions and consumer expectations. Service preception about the service (Carlson, 2010). On the off chance that a customer observation is higher than the desire, at that point the administration is viewed as fantastic and decidedly influences their decision, a match among desire and discernment, the administration offered is viewed as acceptable coming about to a positive effect on buyer decision and if desire are not met the administration is viewed as terrible along these lines antagonistically influences purchaser decision.

Fulfilled customers are probably going to become steadfast buyers and present a chance of spreading a positive reaction through verbal. Understanding which factors that impact shopper decision and fulfillment makes it simpler to plan and convey administrations offers that compares to the market requests (Gibson, 2005).

Strategic planning involves cooperative efforts to improve supplier capabilities with respect to technology, quality, delivery, and cost. It also encourages continuous improvements (Chandra and Grabis 2004). The main dimensions that characterize successful supplier development would include, but not limited to: integrating and improving activities and processes, continuous cooperation and long-term relationships, mutual benefits as a result of any improvement efforts, and apparent structure for both companies with regard to cost, price, and profit (Nassimbeni, 2000).

Moreover, successful relationships in service setting are attributed by supplier development, cost savings and technology sharing (Echtelt, 2008). Handfield and Bechtel (2002) indicated that buying firms should treat their suppliers as partners and further argued that investments in supplier relationships will reduce risk; by involving in activities that is usually regarded in the area of the other firm. Martin (2003) indicated that supplier partnership enables both parties to improve decision making process, enhance knowledge sharing, advance communication, and improve the overall performance of both parties. Williams (2006) argued that the buying firm will gain from efforts done to improve the supplier performance, as both will share the productivity benefits.

There is no singular definition of Strategic planning. In an article in the Harvard Business Review, (Wynant, 2009) defined Strategic planning as predetermining of a major independent capital investment that the sponsoring company has segregated from its assets and general purpose obligations. A major player in sponsoring infrastructure projects and providing financing in developing countries, the World Bank defines project finance as the use of non-recourse or limited recourse financing. Further defining these two terms, the financing of a project is said to be non-recourse when lenders are repaid only from the cash flow generated by the project or, in the event of complete failure, from the value of the project's assets. Lenders may also have limited resources to the assets of a parent company sponsoring a project, (WB, 2010).

In Kenya, the PPDA (2005) sets out instructions on how to procure their supplies from public entities. The Act sets out guidelines for the efficient acquisition and disposal by public entities of unserviceable, obsolete or surplus stores, property and equipment. It also offers for the other related matters including integrity, fairness, transparency, efficiency and increasing the public procurement process. The Act also establishes the Public Procurement Oversight Authority (PPOA) which is an independent body to oversee and regulate procurement in the public sector. This body ensures that the management procedures established under the Act are complied with, monitor the management system, initiate management policy and propose amendments to this Act and to perform such other functions and duties as provided for under this Act. Given the size of management, the Kenyan government decided to initiate reforms through policy, legal and institutional frameworks to enhance transparency, accountability, fairness and competition in the procurement process (PPOA, 2005, Edward, 2011) PPDA (2005) lays down the guidelines which guides public entities in sourcing their supplies. The Act define management as acquisition by purchase, rental, lease, hire, license, tenancy, franchise or by any other means any type of work, assets, services or goods including livestock or any combination. It also establishes procedures for the efficient public procurement and disposal of unserviceable, obsolete or surplus stores, assets and equipment.

PPDA (2005), also sets thresholds which guide the management methods in public entities i.e. when to use international open tenders, national open tender, restricted tenders, request for proposal, direct procurement or

request for quotation. The Act treats every purchase as a discrete transaction subjected to competitive bidding and therefore it fails to address other benefits that could be accrued if public entities categorize their spending and involve suppliers from early stages of purchase. Government management is long and bureaucratic. In Oder for delved system to be and remain competitive, it needs to exercise sourcing practices that will make it compete competitively with private institution who have less bureaucratic procurement process for the quality supplies at the right quantity, at the right price, time and delivered at the right place. Sourcing strategically can be crucial for devolved system to obtain or sustain its competitiveness in the marketplace.

Statement of the Problem

The health sector is an important sector in Kenya and plays an important role in the nation's economy. In Kenya the health sector has been undergoing rapid changes in terms of the regulatory framework and service provision. The Kenya Medical Practitioners and Dentists Board have in the past few decades licensed a number of hospitals in the Country, more so Nairobi City County. Competition in the industry has greatly intensified (Ndungu, 2013). According to the Institute of Certified Public Accountants of Kenya (2014) on implementation of devolution in the financial year 2012/13 only 20% of the County governments have prioritized health sector as being key among their programmes, Nairobi County included. They further indicate that Nairobi County has embarked on improving capacity in areas such as strategic management, planning and public financial management and hence there is doubt that they will strategically plan and use the resources effectively and efficiently to provide the requisite health services. The institute however did not assess the performance in the health sector to determine the quality of services delivered due to these strategic endeavors.

The 4th quarter report of the Controller of Budget for the financial year 2013/14 also indicated that Nairobi County allocated only 6.1% of its resources to the health sector which is way below the recommended in the Abuja declaration of 15%. This was greatly increased to 21.3% of the total county budget in the subsequent financial year 2014/15. There is however no study to find out if the increase in budgetary resources and strategic management has resulted in any significant change in human capital, medical facilities, availability of medicines or the delivery of healthcare services. This study will endeavor to fill this knowledge gap.

In Kenya specifically, only a few researchers have struggled with the subject of how effective strategic management practices affect health sector performance but none in Nairobi City County. It is on this foundation that the study seeks out to establish the relationship between strategic management practices that comprises of development of strategic planning, policies, leadership, monitoring and evaluation and performance of health sector in Nairobi City County. Consequently, the effects of strategic management practices on the performance of the health sector in Nairobi County have not received adequate and satisfactory research attention and carried out. This study bridges the relationship between strategic management practices and the performance of the health sector within Nairobi City County which is an attempt to fill the gap in literature and provide more empirical evidence on the strategic management practice to effective performance.

Research Objectives

The general objective of the study was to establish the influence of strategic management practice on the performance of the health sector with a specific objective to explore the extent to which strategic planning influences performance of the health sector in Nairobi City County, Kenya.

Scope of the Study

The study was carried out in Nairobi City County for specific analysis on the influence of strategic management practice on the performance of the health sector in Nairobi City County. The study involved collection of data

and information from the public health facilities. This study focused on the public health facilities within Nairobi City County. Therefore, the target population was 248 public health facilities in Nairobi City County from the Ministry of Health reports.

Research Methodology

Here, the researcher aimed at explaining the research design method, selection of target population, calculating the sample size and sampling procedure that was adopted, the data collection methods and procedures, the research instruments and tools that were used. The study adopted a descriptive research design in examining the influence of strategic management practice on performance of the health sector in Nairobi City County. The target population for the examination was the 248 health service facilities for Nairobi City County. This population was picked since these are the health service providers that are associated with managing and offering administrations to Nairobians and are well familiar with the data required in the investigation. A probability sampling design was adopted for this study which according to Kombo & Orodho (2002), samples were selected in such a way that each item or person in the population has a known likelihood of being included in the sample. Questionnaires were utilized to accumulate information in light of the fact that the data was gathered from an enormous example and different zones, classification was maintained.

Research, Findings and Discussions

From the information gathered about how long development of strategic processes affected implementation of the public health sector in this study, out of the 92 respondents, 13.0% had experience in development of strategic processes between 1-5 years, 44.6% had experience for a period of 6-10 years, 18.5% had served in the public health sector for a period of between 11-15, 7.6% had served between 16-20 years and 16.3% have over 21 years of experience. A good percentage therefore had 6-10 years of experience and this provided a better means of analysis relevant to the study. The figures are shown in table 1 below.

Tuble 1. Strategic 1 Tocesses			
	Frequency	Percentage	
1-5 years	12	13.0	
6-10 years	41	44.6	
11-15 years	17	18.5	
16-20 years	7	7.6	
Above 21 years	15	16.3	
Total	92	100.0	

Table 1: Strategic Processes

Ease in Accessing Health Services

To be able to find out whether ease in accessing health services in the public health facilities affected implementation of the public health sector, it was important in this regard to look into detail how ease in accessing health services in the public health facilities affected implementation of the public health sector. The response gathered included: 13.0% to a very great extent, 44.6% to a great extent, 18.5% to a moderate extent 7.6% to a less extent and 8% no extent. This implied that ease in accessing health services to a great extent affected implementation of the public health services. The results are shown in table 1.5.1 below.

	Frequency	Percentage
Very great extent	12	13.0
Great extent	41	44.6
Moderate extent	17	18.5
Less extent	7	7.6
No extent	15	16.3
Total	92	100.0

Table 2: Ease in Accessing Health Services

Design of Plans

The respondents were asked to indicate the extent to which design of plans affected implementation of the public health services. From the findings in table 3, majority of the respondents who represented 29.3% indicated that design of plans affected implementation of the public health services very effectively, 32.6% indicated the influence was effective, 16.3% indicated an effect of moderately effective, 12.0% indicated an influence of less effective while only 9.8% indicated not effective. This implies that design of plans is an essential requirement in implementation of the public health services.

Table	3:	Design	of Plans
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	Frequency	Percentage
Very effective	27	29.3
Effective	30	32.6
Moderately effective	15	16.3
Less effective	11	12.0
Not effective	9	9.8
Total	92	100.0

Performance of public health facilities

Performance is the dependent variable in the study which all the independent variables are checked against, in an attempt to establish the effects of strategic policies, strategic planning, strategic leadership and strategic monitoring and evaluation on performance of public health facilities.

In addition, findings on how the public health facility projects were providing services and their progress over the past five years are shown by the table 4 next page.

Number of projects	2015	2016	2017	2018	2019	Mean
Projects completed before time	17.4%	40.2%	13.0%	16.3%	13.0%	2.67
Projects completed on time	6.5%	31.5%	38.0%	16.3%	7.6%	2.87
Projects delayed	13.0%	14.1%	50.0%	16.3%	6.5%	2.89
Projects accepted with variations	13.0%	13.0%	19.6%	42.4%	12.0%	3.27

Table 4: Public health facility Projects carried between 2015 and 2019

Time Frame for Public health facility Projects currently being implemented

From the information gathered on the time frame of the projects currently being implemented in this study, out of the 92 respondents, 15.2% were to take 6 years, 13.0% were to take 5 years, 25.0% were to take 4 years, 17.4% were to take 3 years, 10.9% were to take 2 years and 18.5% were to take 1 year. A good percentage therefore was they are to take 4 years. This was appropriate and it provided a better means of analysis relevant to the study.

	Frequency	Percentage	
6 Years	14	15.2	
5 years	12	13.0	
4 years	23	25.0	
3 years	16	17.4	
2 years	10	10.9	
1 year	17	18.5	
Total	92	100.0	

 Table 5: Time Frame for Public health facility Projects currently being implemented

Reliability Overall results

The reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable the test is. The Cronbach alpha was calculated in a bid to measure the reliability of the questionnaire. This was done by subjecting the ten (10) questionnaires to the respective respondents that were randomly selected. All the variables were reliable since their Cronbach alpha was above 0.7 which was in agreement with Kothari (2011) who alluded that coefficient of 0.7 is commonly accepted rule of thumb that indicates acceptable reliability and 0.8 or higher indicate good reliability. The Table 6 presents the reliability results.

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Variable	Respondents	α=Alpha		
Strategic planning	10	1.000		
Performance of health sector	10	0.900		

Table 6: Reliability overall results

The results demonstrated that the instrument was reliable since all the variables had an overall Cronbach Alpha above 0.7. The constructs were also valid since all the factors were above the recommended threshold of 0.4. The questionnaire was hence not revised and was adopted in its form for the main study.

Normality Test

Skewness and kurtosis statistic was adopted to check the normality in the study as recommended by Myoung (2008). The skewness value for a normal distribution is zero, usually implying symmetric distribution. On the other hand Kurtosis is a measure of the peakness of a distribution. West et al. (1996) proposed a reference of substantial departure from normality as an absolute skewness value greater than 2 and an absolute kurtosis value greater than 7. However, for this study the recommendation of Myoung (2008) who asserted that as a rule of thumb a variable is reasonably close to normal if its skewness and kurtosis have values between -1.0 and + 1.0. The results presented in table 7 show that strategic planning had a skewness coefficient of -0.620 and its kurtosis coefficient being 0.144. Based on these it was concluded that strategic planning and performance of the health sector were normally distributed since they lie with the \pm 1 range recommended by Myoung (2008).

	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Strategic Planning	2.12	.490	.240	620	.251	.144	.498
Performance of the heath sector	2.78	.478	.229	.131	.251	685	.498

Table 7: Normality Test

Correlations Analysis

The correlation coefficient is a measure of linear association between two variables. Values of the correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive linear sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative linear sense and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A correlation coefficient of between 0.0 and 0.19 is considered to be "very weak", between 0.20 and 0.39 is considered to be "weak", between 0.40 and 0.59 is considered to be "moderate", between 0.60 and 0.79 is considered to be "strong" and between 0.80 and 1.0 is considered to be "very strong".

ANOV	ANOVA					The	
Model		Sum of Squares Df Mean Square		F	Sig.	researcher	
	Regression	.030	1	030	130	.719	correlation
	Residual	20.799	90	.231			analysis
	Total	20.829	91				between the variables of

the study using Pearson product-moment correlation coefficient. Correlation Coefficient was used to test whether there existed interdependency between independent variables and also whether the independent variables were related to the dependent variable, performance of the health sector.

The findings show that all the independent variables had no significant correlation with each other. Correlation between strategic planning and performance of the health sector was r=-.038, p-value=0.719. From the finding it was also concluded that there was no relationship among the independent variable which further suggest that there was no problem of multicollinearity.

Table 8: Correlation Coefficient

		Strategic Planning	Performance of the health
			sector
	Pearson Correlation	1	038
Strategic	Sig. (2-tailed)		.719
Planning	Ν	92	92
Performance of	Pearson Correlation	038 719	1
the health sector	N	92	92

Model Summary, Anova and Regression Coefficient (Strategic Planning)

Table 9 below indicates the model summary for the regression between strategic planning and performance of the health sector. An R squared of 0.400 indicates that 40.0% of performance of the health sector is explained by changes in strategic planning. F statistic of 130 indicated that the overall model was significant.

The regression coefficient table below shows that the regression model between strategic planning and performance of the health sector was given as $Y=2.859+0.037X_2$ which indicate that there was a positive and significant relationship between strategic planning and performance of the health sector. The regression coefficient indicated an increase in strategic planning by one unit leads to an increase in performance of the health sector by 0.037.

Table 9: Model Summary

Model	R	R Square	Adjusted	R Square Std. Error of the Estimate	
1	.632 ^a	.400	.387	.481	

a. Predictors: (Constant), Strategic Planning

b. Dependent Variable: Performance of the health sector

Table	10:	Regression	Coefficients
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Model	Un Co	Unstandardized Coefficients		dardized ficients	Т	Sig.
	В	Std	. Error Beta		_	
(Constan	t) 2.8	.224	4		12.788	.000
Strategic planning	.03	.10	3038	3	361	.719

a. Dependent Variable: performance of the health sector

Summary of Findings

The general objective of this study was to find out the influence of strategic management practice on the performance of the health sector in Nairobi County. The geographical scope of the study was performed in Nairobi County with the target population of 106 public health facilities. Through the use of questionnaires, the descriptive research design sought to know how strategic planning, strategic policies, strategic leadership, strategic monitoring and evaluation affected the performance of the health sector in Nairobi County. However, the number narrowed down to 92 respondents since 14 respondents did not return the questionnaires. The researcher used questionnaires to collect data which was analyzed using descriptive statistics. The results were presented in tables and figures.

Majority of the respondents indicated that strategic planning is essential to facilitate the performance of the health sector in Nairobi County, there is need to use strategic processes, for proper performance. Further, the study found out that that proper strategic planning is a critical requirement in the performance of the health sector in Nairobi County

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