

The Relationship between Strategic Planning and the Performance of Devolved Healthcare A Survey of Public Hospitals in Meru County

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Abstract: The study investigated the relationship between strategic planning and performance of devolved healthcare, through a survey of public hospitals in Meru County. Strategic planning refers to the process of envisioning the future of the organization and breaking it down into executable strategies, goals, tactics and timelines. Organizational performance on the other hand refers to the outputs/results realized by an organization in line with their goals and objectives. The specific objectives of the study were to establish the relationship between the individual components of strategic planning (mission and vision statements, business environmental analysis, strategic formulation, strategic implementation and strategic monitoring and evaluation) with the performance of public hospitals in Meru County under the devolved healthcare context. Strategic planning is part of the strategic management process which entails the alignment of the organization's activities alongside its long term objectives. Despite the evident challenges in devolved healthcare in form of frequent industrial strikes, lack of medical equipment and essential institutional structures among others, no studies had investigated these problems from a strategic planning standpoint, justifying the study. Performance of devolved healthcare was considered in light of the WHO framework for measuring the performance of health systems, which focuses on health improvement, health responsiveness and financial fairness. The study covered six Level 4 hospitals in Meru County (Nyambene, Kanyakine, Muthara, Timau, Mikinduri, Miathene) and one level 5 facility (Meru Teaching and Referral Hospital). It took the design of a descriptive survey with a semi-structured questionnaire used in data collection. Analysis of collected data was done using SPSS version.21 with descriptive statistics such as means and percentages generated. Elsewhere, linear regression model was used in inferential analysis that establishes the relationship between the dependent and independent variables. The results were consequently presented using charts and tables. The findings indicated that all the components of strategic planning had an impact on performance, with a positive relationship evident except for in business environmental analysis and strategic implementation. The components of strategic planning were also fully implemented except for strategic monitoring and evaluation. However, all the components of strategic planning except mission and vision were only found to contribute to performance (health improvement, financial fairness and responsiveness) to a moderate extent. Other findings included that financial fairness was the least attained area of performance while strategic planning could only explain around 85% of the performance of public hospitals in Meru County. Consequently, the study concluded that Meru County hospitals significantly practiced strategic planning which in turn affected performance, performance was still poor with respect to financial fairness, each component of strategic planning could be improved on and not all the performance of Meru County hospitals could be explained by strategic planning. It was recommended that strategic planning is fully implemented, the strategic planning components improved to better impacts on performance and specific strategies devised to improve on financial fairness. For future studies, it was recommended that research focuses on non-strategic factors affecting performance, strategic management as a whole and also investigate strategic planning with respect to other frameworks of performance such as financial metrics

Introduction

1.1 Background

This chapter discusses the background, statement of the problem, objectives, research questions, significance, delimitations, limitations, and assumptions, operational definitions of terms and the scope of the study.

1.1.1 Strategic Planning

Strategic planning (SP) has gained popularity in both private and public organizations over the years following the perception that it fuels organizational effectiveness. It refers to the process of determining organizational direction and consequently breaking down the future into concrete goals, plans, strategies, tactics and timelines (Arasa and K'Obonyo, 2012). According to Wendy (1997), the strategic planning process follows three important steps, strategic analysis, strategic choice and strategic implementation. Strategic analysis entails setting the organizational direction in terms of the goals, mission and vision. The function of this stage is to therefore envision the company's long term future and putting it into coherent and formal statements. Strategic choice on the other hand involves the formulation, analysis and choice of the best strategies. Finally, strategic implementation entails setting relevant policies and frameworks that can actualize the strategy. These include resource mobilization and setting up monitoring and evaluation systems. These three core elements can be broken down further into five generic components, including setting the mission and vision, situational analysis, strategy formulation, strategy implementation and monitoring and evaluation practices (Kumar, 2015). Notably, Strategic Planning is one of the components of the broader strategic management (SM) process, which encompasses the alignment of the organization's activities to long term objectives. Through strategic management, organizations define their identity, formulate strategies of navigating competitive environments and develop suitable structures that sustain their profitability on the long term (Wendy, 1997). The above functions of strategic management are directly linked to increased effectiveness and firm performance. Given that strategic management affects organizational performance and strategic planning is a subset of it, it is assumed that the latter also holds a positive effect on organizational performance.

1.1.2 Performance

Organizational performance refers to the outputs/results realized by an organization in line with their goals and objectives. In most cases, such performance is envisioned in terms of financial performance, market performance and shareholder value (Smith, 2009). In public organizations, performance encompasses stakeholder satisfaction as the goals may not be profit oriented. Organization performance in both private and public firms can be generally measured through the balanced scorecard approach, service quality assessment and surveys on various performance indicators. However, in healthcare organizations, performance measurement follows the WHO (2000) framework that focuses on three indicators: Health improvement, responsiveness, and financial fairness. Health improvement entails the health status of the population throughout their life course including premature mortality, non-fatal outcomes and health distribution. On the other hand, responsiveness refers to the health system's response to individual's legitimate expectations on non-health enhancing aspects of care such as dignity, respect, confidentiality and overall treatment in the healthcare environment (Murray and Frenk, 1999). Finally, financial fairness entails two aspects. First, individuals should not be impoverished by the fiscal burden of healthcare or pay a disproportionate share of their income towards treatment. Secondly, the poor should pay less for healthcare than the rich (Murray and Frenk, 1999). The current study used this framework to measure performance of Meru County Hospitals.

1.1.3 Devolved Healthcare

Devolution of Healthcare in Kenya was initiated by the promulgation of the new Constitution in 2010, with the fourth schedule of the document designating County Health Services as the component of devolved healthcare. These included "county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlors and crematoria" (Constitution, 2010). Upon the commencement of the implementation process, the health sector has been faced by many challenges, ranging from industrial strikes, corruption and overall poor quality services (Korir, 2013; KPMG 2013). The healthcare sector has appeared to be in further problems following lack of cordiality between the national government and the counties in resolving such problems. The search for long term solutions remains a key goal with all stakeholders keen to efficiently operationalize devolved healthcare in the country.

1.1.4 Contextual Background

The Meru County Government which mandates level five, level four and primary care facilities has been part of the troubled devolved healthcare system. The Meru Teaching and Referral County Hospital (MTRH) is the only level five facility while a number of former district hospitals such as the Nyambene,

Kanyakine, Muthara, Timau, Mikinduri, Miathene District Hospital fall under level four. Frequent industrial strikes and corruption cases have been cited as major problems facing public hospitals in Meru County. Corruption has been for instance indicated in the 1.5 million shillings tender to equip the MTRH with curtains. With a population of about 1500 health staff, the impact of industrial disputes has also been profound, paralyzing service provision and putting the lives of patients at risk (Kubai, 2015). More importantly, the county is apparently yet to establish proper human resource management, procurement and other institutional structures that would help to increase efficiency in the new devolved healthcare system. As it emerges, the use of strategy and its implications on performance of public hospitals in Meru County remains unclear.

The present study therefore examined the relationship between strategic planning and the performance of devolved healthcare through a survey of Meru County Hospitals. It took interest in the level of implementation of strategic planning units generic components (mission and vision, situational analysis, strategy formulation, strategy implementation and monitoring and evaluation practices) and how they individually related to performance in the context of devolution.

1.2 Statement of the Problem

Though devolution of healthcare has been traditionally successful in improving the performance of healthcare institutions worldwide, this has not been the case in Kenya. There is a sharp contrast between the successes of the model in Thailand, Ghana, and Ethiopia among others with the challenges faced locally (KPMG, 2013). These challenges include runaway corruption, poor quality services, inadequacy of health staff and pharmaceutical/non-pharmaceutical products and lack of important structures like procurement. At face value, devolved healthcare in the country has only entrenched the challenges in the previous centralized system. Despite the acquiescence to the above challenges and the knowledge that strategic planning improves firm performance, no studies had focused on the link between the two facets in the devolved healthcare context. For instance, KPMG (2013) only summarized the lessons that can be taken from other countries in terms of human capital and the setting up of various supportive frameworks. On the other hand, Muendo (2015) investigated how strategy implementation affects the performance of the Kenya Medical Training College (KMTC). Apart from focusing on only one of the facets of strategic planning, the study did not address any devolved healthcare facet. Additionally, the results of the study indicated that KMTC was barely involved in strategy formulation or implementation with strategy envisioned at the national context and in response to global demands. There were thus no strategic planning insights from the study to transfer to a devolution context. In the same way, Situma (2012) focused on change management in the entire devolved government realm rather than strategic planning and devolved healthcare. A huge gap consequently existed in literature in regard to strategic planning and its effect on the performance of devolved healthcare.

1.2.1 General Objectives

The general objective of the study was to determine the relationship between strategic planning and the performance of Meru County Hospitals.

1.2.2 Specific Objectives

The specific objectives of the study were to:

1. Establish how the mission and vision of Meru County hospitals relates to their performance.
2. Determine the relationship between business environmental analysis methods and the performance of Meru County hospitals.
3. Establish the relationship between the strategy formulation process and the performance of Meru County hospitals.
4. Determine how the strategic implementation process relates to the performance of Meru County hospitals.
5. Determine the relationship between strategic evaluation and monitoring practices and the performance of Meru County hospitals.

1.2.3 Research Questions

1. How does the mission and vision of Meru County hospitals affect their performance?
2. What is the relationship between business environmental analysis methods and the performance of Meru County hospitals?
3. How does the strategy formulation process affect the performance of Meru County hospitals?
4. What is the relationship between the strategic implementation process and the performance of Meru County hospitals?
5. How does strategic evaluation and monitoring practices relate to the performance of Meru County hospitals?

1.3 Significance of study

The study shall help public hospitals in Meru County understand the problems they currently face under the devolved healthcare context from a strategy viewpoint and thereby come up with mitigates. Problems like high employee turnover, frequent industrial strikes and lack of important administrative structures will be better understood and addressed through strategic planning solutions from the study. Additionally, key stakeholders shall understand the current level of integration of strategic planning principles in public hospitals within Meru County and hence make necessary improvements. The findings and recommendations of the study shall also be useful to the entire devolution framework involving other sectors like education, infrastructure and agriculture among others in the sense that they can draw lessons from the study and transfer the same to their respective areas. Notably, the study also contributes to local strategy literature by presenting unprecedented perspectives on how strategic planning relates to the performance of devolved healthcare.

1.4 Limitations of the Study

The study only interviewed staff at Meru Level Five and Level Four Hospitals who were available within the period of the study. The absence of any important stakeholder may have led to exclusion of their input. Additionally, the interviews were limited in time due to the need to engage as many individuals as possible and thus did not offer an opportunity for extensive discussions. Elsewhere, the study also considered organizational-specific practices that affected the performance of Meru Teaching and Referral Hospital in line with strategic planning theory and did not consider issues that are emergent from the national context of health planning and policing. Such factors though important, fell outside the theoretical realms of strategic planning.

1.5 Scope of Study

The study focused on Meru Level Five and Level Four Hospitals only, excluding primary care facilities. This is because the operational scales in the latter are too low that the likelihood of employing strategic planning practices at a measurable level is negligible. This confined the geographical scope of the study within Meru County, under the two levels of healthcare facilities (level 5 and level 4). Respondents in the sample included available clinical staff and non-clinical staff members such as administrators and medical superintendents who were involved in the healthcare planning process.

1.6 Delimitations

The study focused on the practices and processes that are within organizational mandate as the overarching planning and policy at the national level was not constitutive of strategic planning. However, it was recognized that the contextual factors relating to health policy 2012-2030 could confound the understanding of the impact on performance, and efforts were thus be made to distinguish national policy effects from within-organizational effects through appropriate methodology. On the other hand, primary care facilities ranging from level one to three were excluded from the sample on the premise that their level of operation is too low and most probably does not require or utilize the strategic planning process. Even if they did, their activities are unlikely to generate enough data for analysis and subsequent generalization.

1.7 Assumptions

The study assumed that the clinical and non-clinical staff at the Meru county level five and level four hospitals had adequate knowledge on strategic planning and had encountered such processes in one way or the other. Furthermore, it was assumed that the ratings of outcomes and the general survey responses in the study were truthful and depictive of the reality of the various elements subject to this inquiry. Also significant was the

assumption that each of the hospitals in the sample applied at least one component of the strategic planning process.

1.8 Operational Definitions

Devolution – The decentralization of statutory power to semi-autonomous units of governance, known as counties.

Strategic management- a combination of processes and practices that ensure organizational activities proceed in line with overarching goals and objectives.

Health Sector – The umbrella term for both the county and national level health and related infrastructure. It also combines both private and public health facilities.

Health Professionals – A combination of both clinical and non-clinical staff in the healthcare sector, from nurses, physicians, social workers and so forth.

Health Resources – Capital, infrastructure, workforce, expertise, management and all the other elements that are essential for the delivery of healthcare.

County Government – A geographical unit designated in the new constitution 2010 as the structure of devolved government.

Health and organizational outcomes – These are the changes both in relation to the patient and the organization at large as a result of health interventions and investments. They include better quality of care, high retention rates, efficient procurement processes and so forth.

Literature Review

2.1. Introduction

This section covers the theoretical framework, empirical review, conceptual framework, operational framework and the summary and research gap. The gist of it is to understand key theories that construct strategic planning and other important ideas in the paper, review past research on the topic and ultimately identify gaps in literature filled by the study.

2.2. Theoretical Framework

This section evaluates the theories that underpin the study. It highlights the theoretical lens under which the topic of study and the various variables are underpinned. Porter's generic strategies, Mintzberg's 5Ps of strategy and the resource based view of the firm were discussed in that respect.

2.2.1. Porter's Generic Strategies

This study was anchored on Porter's (1985) generic strategies namely cost leadership, cost focus, differentiation and differentiation focus. According to Michael Porter, a business organization could not be competitive unless they operated under the guidance of one of the above strategies. Cost leadership is whereas a business entity focuses on having the lowest cost producer in the industry and thereby makes huge margins. Achieving low costs can be done through use of technology, lean systems that minimize wastage, economies of scale among other vehicles. In the devolved healthcare context, there is plenty of wastage of public funds through corruption and irregular procurement process, for which cost leadership strategies are needed to attain competitiveness. In another respect, the aspect of cost is also a major concern in relation to the performance variable "financial fairness" with respect to the patient population. There is need to take the cost of healthcare down, not just to make public hospitals competitive but also to ease the burden on the clientele. The study therefore assumes that public hospitals in Meru County require strategies such as cost leadership in order to improve performance.

The weaknesses of Porter's (1985) theory are that it focuses on organizations seeking competitive advantage which may not be wholly applicable to public hospitals. However, this does not affect the study given that public hospitals seek stakeholder satisfaction which also requires strategy. Making healthcare affordable and using resources efficiently is a prime concern amongst healthcare stakeholders. Furthermore, differentiation and differentiation focus do not appear to apply to a large extent to public hospitals as scope of practice and mandate in such institutions is predetermined at the national policy level. However, strategic planning deals with organization- level activities and can thereby exclude such strategies without prejudice.

2.2.2. Mintzberg's 5Ps of Strategy

Mintzberg (1987) indicated that strategy can be viewed as a plan, ploy, pattern, position and perspective. As a plan, strategy is envisioned as a deliberate, conscious and intentional course of action that is laid down clearly and later implemented. This is the kind of planning that the study focused on, where public hospitals actually deliberate on strategies and implement them to achieve certain ends. Elsewhere, strategy as a ploy implies a specific maneuver to solve a specified problem. The current situation in public hospitals in Meru County features several problems such as high turnover, for which strategy should be applied as a solution. As a perspective, strategy is the way in which an organization looks at the world, organization culture or its personality. This justifies the presence of the mission and vision as one of the components of strategic planning that the present study focused on.

The weaknesses of the above theory are also on its relation to organizations operating in competitive, profit-making contexts. However, the healthcare landscape is complex and chaotic, requiring strategy as a ploy, perspective and plan. The study therefore bases on the theoretical assumption that strategic planning in devolved healthcare encompasses planning, ploys (strategy formulation) and a perspective (mission and vision).

2.2.3. The Resource Based View (RBV) of the Firm

The resource based view of the firm goes that business organizations can leverage on their resource disposition as a source of competitive advantage. Rather than looking outside the firm in strategy formulation, their internal resources can be framed into appropriate strategy. Such resources have to be rare, inimitable, valuable and non-substitutable (Wernerfelt, 1984). An example of such resources is the human capital that can be harnessed through training, proper rewards and strategic recruitment to ensure that they improve the performance of public hospitals. Currently, there are many human resource related problems in Meru County hospitals which implied that their current constitution does not warrant any competitive advantage. Internal business processes such as procurement are also required to be a source of competitive advantage under the RBV framework which is currently not the case. The study therefore was based on the assumption that human resource, procurement and other resources in public hospitals in Meru County could be transformed into sources of competitive advantage/ stakeholder satisfaction.

The weaknesses of the above theory are that it requires resources to fit in the categories of rare, inimitable, valuable and non-substitutable for every single firm. This may not be possible as some resources like human capital are regulated by the county government rather than the individual organizations. However, the general idea of such resources creating competitive advantage is unaffected therefore the study is not affected.

2.3. Empirical Review

The empirical review covered past studies in the research topic hence in the end unearthing research gaps filled by the conducted study. This section has five sub-areas addressing each of the independent variables and how it relates to the dependent variable performance.

2.3.1. Mission and Vision

The organizational mission and vision are important components of their strategy. They form part of directional strategies that a firm pursues in order to give it a sense of purpose. They are also essential in that they form a foundation upon which other elements of strategy in an organization are laid in the strategic planning process. According to Lee, Barker and Mouasher (2013), besides these functions, organizational mission and vision statements offers a clear guide to decision making within a firm and are targeted at the employees, shareholders and the leadership. While the mission statements identify the purpose of the organization, the vision statements give the direction in which the company seeks to grow getting into the future. Kelley (2003) explains that the popularity of organizational vision and missions emerged in the 1980s and were often presented to shareholders in annual financial reports. The gist of the mission and vision was to express the corporate character or the personality of the organization. However, with time, their essentiality to organizational performance and other facets has become indeterminate. For one, some scholars view them as nothing that can inspire an organization or direct it into the future.

Kelley (2003) has also addressed the essential components of vision and mission statements. Since their inception, variety of approaches to them has been devised until there needed to be consensus as to what the duo should typically contain. The author states that mission and vision statements require a purpose, strategy, values and standard behaviors that are expected in the organization by the management. The strategy identifies the

commercial logic of the company while the purpose outlines why the organization exists. Elsewhere, the values entail what the management believes in while the standards and behavior entail the standards and policies that the company operates in. There are slight variations to this model depending on the organization but many would typically encompass all the above or two to three components of the same. Kelly (2003) also gives the desirable characteristics of vision and mission statements. They should be imaginable, appeal to the long term interests of different stakeholder groups, be focused enough to guide decision making, realistic in the sense of the goals they set, flexible to allow for alternative responses to changing conditions and easy to communicate to the rest of the organization.

Chunand Davies (2001) investigated the role of mission and vision statements in positioning strategy. This followed claims that the inclusion of the two items on corporate websites was a strategic positioning move ubiquitous in leading organizations. The study examined the websites of leading Fortune 500 listed companies carrying out a content analysis of their mission and vision statements. The profiles of companies in the same sector were calculated with the positioning of the companies deduced from the frequency of the words used in the mission and vision statements. It was apparent that most companies positioned themselves alongside competence. However, there were differences between the profiles of companies in the same sector as well as long periods required to access the content on the website. Consequently it was proposed that though mission and vision statements were useful in positioning, there was need to improve accessibility and refine content. The study underscores the importance of mission and vision statements to organizational strategy.

In a closely similar study, Ingenh of and Fuhrer (2010) examined mission and vision statements as to whether they played a role in promoting the building of a unique corporate identity. They analyzed online brand personalities on corporate websites and examined the differentiation strategies used to create uniqueness. Using the Aaker brand personality scale, content analysis was carried out in different sectors and industries in Switzerland. The results of the study indicated that mission and vision statements were frequently used in presenting online brand personality but managers typically bent towards industry norms. There was a high degree of similarity in content in the process which meant that managers used competitors as a frame of reference when phrasing statements. The study concludes that there was need to develop uniqueness and differentiation through the mission and vision or through other means in organizations. Again, the study shows that though most organizations include vision and mission statements as part of strategy, they are yet to put them into proper use that confers competitive advantage.

Few studies have examined the link between mission and vision statements and the performance of an organization. Carton, Murphy and Clark (2014) is one such study which examined how the two can be used to create a shared sense of purpose on the employees and thereby improve organizational performance. The study hypothesized that a large amount of imagery and values when put together would boost organizational performance. Featuring a sample of 151 hospitals and 62 groups of fulltime employees, it was discovered that leaders communicate visions with no imagery and also overuse value-laden rhetoric. Nevertheless, the overall assumptions were proven right- that indeed creating a shared purpose through the organization mission and vision statements improved organizational performance.

Jing, Averyand Bergsteiner (2014) investigated the improvement of firm performance through the communication and sharing of the firm's vision. A multi-stakeholder and multi-measure approach was taken in the study, examining the role of vision communication and sharing in five Australian Pharmacies. Five measures were used including customer and employee satisfaction, financial assessments, productivity and staff retention. The results suggested that managers who communicate and share their vision outperformed their peers who did not in all the business indicators besides retaining their employees for longer periods. The study proves a positive relationship between mission and vision statements with organizational performance.

In the recalcitrant skepticism among scholars on the positive relationship between mission and vision statements and organizational performance, there are some emerging explanations. Williams Jr, Morrell, and Mullane(2014) explained proposed that the commitment of top management moderated the effect of the mission and vision on organizational performance. This was the rationale behind the inconsistent findings in the various studies carried out to examine the relationship. The findings reaffirmed the assumptions, with the study recommending that managers reinvigorate the power of vision and mission statements through consistent communication, reinventing them and setting measurable targets.

In conclusion, available literature points to the centrality of mission and vision statements to strategy, as well as their positive relationship with performance. Nevertheless, there are suggestions that the two are not

correctly applied to strategy, and in some instances, there are moderating effects such as managerial commitment that obscure the relationship with organizational performance. (Chun and Davies, 2001)

2.3.2. Business Environmental Analysis

The analysis of the business environment is an essential component of the strategic planning process as well as the overriding strategic management realm. For businesses to come up with suitable strategies, they need to understand the environment in which they operate in, both internally and externally. Kumar (2015) terms this process as environmental scanning and proposes that it encompasses three major components: Internal analysis of the firm, industry analysis and the analysis of the macro environment. According to the author, the internal analysis of the organization can be completed using a SWOT analysis that identifies the strengths, weaknesses, opportunities and threats to a business. The organization can also analyze its internal strengths through core competency analysis. Hollensen (2015) explains that core competencies are those activities that a company performs extremely well and are difficult to be copied by their competitors. Core competencies are identified on three criteria; relevance, breadth of application and difficulty of imitation. With an understanding of the organization's core competencies and SWOT elements, it is possible to draw a concrete picture of the internal environment of a business.

According to Kumar (2015), the SWOT framework can also be used to understand the external environment of a business to some extent. This is through the delineation of the opportunities and threats that are faced from the external environment. Threats may entail competition while opportunities come in many forms including new customers segments and emerging factor conditions. More commonly, organizations use the PESTEL framework to analyze the external environment of a business by highlighting the political, environmental, social, technological economic and legal factors that may influence them. Makos (2015) proposes the framework as a comprehensive tool for business environmental analysis that gives a holistic view of the external environment of a business. On the other hand, industry analysis can be carried out using the Porter's five forces framework (Dobbs, 2014). The latter highlights the key elements of the framework as the barriers to entry, bargaining power of suppliers, availability of substitute products, the level of competition and buyer power. These forces when taken together can explain how attractive an industry is for investment. For instance, when competitive rivalry in an industry is high, the industry is unattractive as the margins are low. Similarly, when there are no barriers to entry, it means that the market is likely to be flooded in no time and hence lose attractiveness.

There is a perverse scarcity of studies that examine the relationship between business environment analysis methods and firm performance. A majority of the studies only examine strategic planning at a general level and how it entirely promotes organizational performance. Of the few studies that break down strategic planning into its constituent components and investigate the singular impact of business analysis methods on organizational performance, a positive relationship is depicted. Such studies include Kumar (2015) who found that business environmental scanning methods had a positive relationship to firm performance. Arasa and K'Obonyo (2012) also concluded that there was a positive correlation between situational analysis and business performance.

Apart from the two studies above, Wijetunge and Pushpakumari (2014) also investigated the relationship between strategic planning and the performance of manufacturing SMEs in the Western Province of Sri Lanka. The study considered the elements of strategic planning that include business environmental analysis both internally and externally with a goal of establishing how much the SMEs engaged in the strategic planning process in addition to the challenges they encountered to doing so. These two goals were besides their desire to establish the relationship between the overall strategic planning process and business performance. From the results, it was apparent that business analysis, both external and internal showed correlation to improved firm performance. The study gives strong findings on the relationship between business analysis as a component of strategic planning and corporate performance by considering internal and external analysis separately.

Sandada, Poeand Dhurup (2014) in the same way analyzed the relationship between strategic planning and the performance of SMEs in South Africa by considering strategic planning practices including environmental scanning, the organization's mission and vision, formal strategic planning, evaluation and control, time horizons, strategy implementation incentives, information sourcing and employee participation. The results indicated that the strategic planning practices had a positive relationship with organizational performance. The sample of the study was quite substantial (200 participants) and thus provides strong evidence

on the relationship between strategic planning and organization performance. More importantly, there was a positive correlation between business environmental scanning and firm performance.

Therefore, available literature associates business environmental analysis with strategic planning, identifying it as its subset. It encompasses external environmental analysis, internal analysis of a firm and industry analysis. Various tools such as SWOT, PESTLE and Porter's Five Forces have been developed to assist in the analysis processes with specific applications in the three areas. Notably, there is a scarcity of literature associating business analysis methods with improved firm performance. If anything, nearly all available studies that examine the relationship do so while considering it as a subset of the overarching strategic planning process. Nevertheless, there is an implicit indication that business analysis methods have a positive relationship with organizational performance. (Arasa and K'Obonyo, 2012)

2.3.3 Strategy Formulation

Strategy formulation is among the main decision making stages of the strategic planning process. It entails the formation of various types of strategies such as competitive, market entry, adaptive, directional and generic. It involves both decision making and documentation, as Swayne, Duncan and Ginter (2012) state that the process culminates in the production of long term strategic plans and short term operational plans that help to achieve the long term objectives. The formation of strategy follows consideration of the internal resources and competencies of the organization, their mission and vision and the forces in the external environment. The latter is essential because strategies are oftentimes formed to navigate complex forces of change that emerge from the external environment. With the understanding of the three facets as a whole, the business is able to understand what strategies they should adopt getting into the market or when facing the competition. As noted by Swayne, Duncan and Ginter (2012), strategy formulation is a continuous process guided by emergent learning and other strategic planning processes that yield insights necessitating adjustments in strategy.

There are several studies linking strategy formulation to improved organizational performance. Ibrahim (2015) is one such study where an empirical investigation of 220 firms was carried out to determine the strategies in use and how they enhanced profitability. The study underscores the importance of choosing the right strategy in building organizational performance, noting that not all strategies had a positive impact on the organization. The strategy formulation process in this regard is conceived not just in terms of coming up with strategies but also ensuring that the selected strategies are appropriate. For a strategy to improve the performance of an organization there was need for it builds distinct competence and confers sustainable competitive advantage. Therefore strategy formulations improves organizational performance but only if the strategies created are appropriate.

Strategy formulation has in some studies shown negative relationships with organizational performance or in some cases failed to draw the relationship with certainty. Yunis, Jung and Chen (2013) address this phenomenon citing TQM as a mediatory factor which determines how well strategies are devised and their consequent impact on organizational performance. The study suggests that soft TQM had a larger impact on both strategy formulation and performance than hard TQM. It is therefore recommended that organizations integrate TQM in their strategy formulation processes in order to realize better results. Soft elements of TQM such as employee relations, customer satisfaction and management and leadership particularly show remarkable influences in developing performance in organizations.

Another mediatory factor is the use of strategic performance management systems (SPMSs). Gimbert, Bisbe and Mendoza (2010) investigated the role of SPMSs and Performance management Systems (PMSs) in strategy reformulation and the presence of more comprehensive strategic agendas. They hypothesized that organizations with SPMSs had more frequency in reformulating their strategy than those with PMSs or without any such system. They also had more strategic agendas, with both assumptions proven in their results. Therefore, the quality of strategy and its refinement depended on the presence of SPMSs as opposed to other forms of PMSs or the total absence thereof.

Machabaphala (2010) suggests that though strategy formulation and implementation are two different facets, there was need to integrate them in order to realize improved performance in organizations. Strategy formulation requires the mission and vision statements, formation of grand strategies and long term objectives while strategic implementation entails leadership, organization structure and organization culture. To ensure that the two facets improve performance and go hand in hand, several suggestions were made. First, the managers involved in the formation of strategy needed to take part in the implementation process. This ensures that there is no discordance between formation of strategy and its implementation. In another sense, there was need to

ensure that organizational culture was adjusted to form a conducive environment for employees and managers to act efficiently at the various service delivery points. Machabaphala (2010) also states that there was need for leadership to guide the mission and vision as well as to create a fit between strategy and organizational culture. Therefore, for strategy formulation to inspire improved organizational performance there was needed to build synergy with strategy implementation.

Strategy formulation has been identified as a core element of strategic planning in most available studies including Kumar (2015), Arasa and K'Obonyo (2012) and Sandada, Pooe and Dhurup (2014). In all these studies, strategy formulation is the critical decision making stage where a firm not only selects their strategies but also decides on what not to do. Konoand Barnes (2010) second this view and introduce the impact of finances in the various strategic planning processes including strategy formulation. The paper notes that many formulated strategies fail at the implementation stage due to the failure to consider the role of financial metrics. They argue that the role of finances has been supported in the balanced scorecard (BSC) approach and therefore has tremendous influence in strategy actualization. Financial metrics to consider in strategy formulation include free cash flow, economic value added, asset management, profitability ratios, growth indices and tax optimization. The study is essential in restating the importance of strategy formulation in the strategic planning process and identifying financing as an important mediatory factor.

Therefore, it is apparent that strategy formulation is an important facet of the strategic planning process. It features both decision making and documentation, and entails both coming up with strategies as well as choosing the best fit. There is evidence that the strategy formulation process positively relates to improved organizational performance, though a number of mediators suffice in influencing this relationship. These include TQM, particularly soft TQM aspects such as employee relations, SPMSs and PMSs, finances and creating a synergy between strategy formulation and strategic implementation. The success of strategy formulation in influencing firm performance thus relies on these aspects to a great extent.

2.3.4. Strategic Implementation

Implementation of strategy is among the most important facets of strategic planning. Without implementation, strategic planning as a process has no importance or bearing in improving organizational performance. More specifically, strategic formulation has no impact if the generated strategies are not implemented. Swayne, Duncan and Ginter (2012) echo this fact, highlighting that after a strategy has been created and documented in form of a strategic planning blueprint, implementation is required in form of budgets, structures and supportive cultures. As such, there is needed to break down strategic plans into action plans and operational plans that can be followed in the implementation process. In the same breath, Machabaphala (2010) stated that strategic implementation entails providing leadership, setting up organization structure and cultivating suitable cultures. These factors are essential in transforming strategies into plausible decision and actions that in the end promote organizational performance.

Several studies have examined the relationship between strategic implementation and improved organizational performance and predictably emerged with positive relationships. Compared to other facets of the strategic planning process, strategic implementation has the strongest relationship with organizational performance. Muchira (2013) investigated the relationship in the context of commercial banks in Kenya. The author argued that strategic implementation entailed the utilization of the firm's resources as well as the motivation of the employees to pursue the set objectives. On the other hand, performance was conceived in terms of effectiveness and efficiency of the organization's operations as well as environmental responsibility. A cross sectional survey was carried out in commercial banks using descriptive statistics to deduce the relationship between the two facets. Both primary and secondary data was used in the study with the results suggesting that strategic implementation positively affected organization growth, financial performance and profitability. Therefore, strategic implementation had a positive association with organization performance in various dimensions as hypothesized by strategy theory.

In the same way, Njagi and Kombo (2014) investigated the impact of strategic implementation on the performance of commercial banks in Kenya, focusing on finer elements of the process. The study reckons that growing rivalry in the banking sector in Kenya had led to increased application of strategic management practices, with firms seeking to edge out one another as well as weather changes. In the foregoing, strategy formulation had gained centrality, but a more complex and daunting task that determined actual performance was putting the strategies into action. The study specifically examined the effects of operationalization and institutionalization of strategic implementation on the performance of commercial banks. The sample featured

43 commercial banks and used the Pearson correlation coefficient in determining the strengths of the relationship. From the results, it was apparent that strategic implementation had a moderately strong relationship with improved firm performance and it was recommended that effective implementation of strategies be adhered to if organizational performance was to increase.

A similar study was carried out by Muendo (2015) investigating the role of strategic implementation in improving the performance of middle level colleges in Kenya. The study adopted a case study approach, using the Kenya Medical Training College (KMTC) as the sample. It examined how a decade-long strategic implementation process in the institution had improved performance, using both primary and secondary sources. Secondary sources included desk analysis of strategies while primary sources entailed interviews with various managers, leaders and employees in the institution.

The conception of strategic implementation was the use of organizational resources to accomplish set strategies in the organization. Qualitative data was collected and analyzed using content analysis. The results suggested that KMTC's strategy and performance was drawn from the national context and global plans and priorities. There were no local structures for formulating strategy and seeking implementation while allocation of resources to actualize strategy was also lacking. The study recommended that KMTC opens a local office in charge of strategy and allocated resources to drive their operations. Thereby, it is apparent that strategic implementation requires an organizational level effort notwithstanding any external forces that shape strategy. The study reveals an essential aspect of the proposed study given that it has a similar scenario to KMTC where the national government and global health standards have a role in shaping strategy. From the study, it is apparent that strategic planning in general and implementation in reduction requires to be carried out at the organizational level exclusive of any external frameworks of strategy.

Elsewhere, Andrews et al. (2011) investigated the role of implementation styles on public sector performance. The authors contend that though lots of studies explain implementation of strategies in the public sector, little is known about the effects of the various implementation styles on organizational performance. Their findings suggested that the style of implementation mattered alongside the combination with strategic choices. However, the established styles of implementation including rational, incremental and no clear approach did not matter in themselves and thereby did not lead to improved performance. The strategic orientation of the organization was an important moderator between implementation and organizational performance. It was therefore important for public organizations to seek a fit between the implementation style and strategic orientation (prospector, defender or reactor) in order to improve organizational performance. The study offers essential insight on the role of implementation on organizational performance in the public sector, with unprecedented knowledge on implementation styles and organizational strategic orientation.

Okech (2013) investigated the challenges facing the implementation of strategic plans in private hospitals in Nairobi. The study reckoned that implementation was the most essential part of strategic planning but was also concomitantly complex and problematic. Normative challenges included lack of finances, non-cooperation between the employees and the management, poor organizational culture and structure, inadequate time to actualize plans and resistance to change among other challenges. The focus of the study was on the challenges faced by private hospitals in implementing their strategies and the structures put in place to overcome such challenges. There were 25 hospitals in the sample with managers, clinical and non-clinical staff interviewed to establish the challenges faced in strategy implementation. It was apparent that inadequate funds, lack of skilled personnel to oversee implementation and the amoebic nature of government policy were the main barriers to implementation. The study recommended improved communication, continuous training of staff and sourcing of funds to improve strategy implementation.

In summary, strategic implementation is the main action stage of strategic planning and encompasses proper leadership, organizational culture and structure as well as action plans and budgets. These are geared towards putting strategies into action, a process which utilizes organizational resources and requires employee motivation to pursue strategic objectives. Evidence points to an overwhelmingly positive relationship between strategic implementation and firm performance. It is also apparent that there was need to carry out strategic planning and implementation in particular at the organizational level, even when there were national and other external forces shaping strategy. Elsewhere, to ensure implementation led to improved performance, there was need to create a fit between implementation styles and strategic orientation, while noting the various barriers to the process and undertaking mitigation.

2.3.5. Strategic Monitoring and Evaluation

Strategic monitoring and evaluation mechanisms and processes play a vital role in strategy and are the final step in strategic planning. After implementation, strategic monitoring and evaluation is essential to determine whether the goals of the organization were met, and if not, why it didn't happen. The process helps in determining alternative strategies that can be used to accomplish strategic objectives or in some instances adduces essential knowledge that reshapes strategy. As noted by Swayne, Duncan and Ginter (2012) strategy formulation is a continuous process that is reshaped by emergent learning and the feedback on the outcomes of the initial implementation. The new insights that drive reformulation of strategy are born out of strategic momentum, which encompasses monitoring and evaluation. No wonder, Gimbert, Bisbeand Mendoza (2010) argues that organizations with Strategic Performance Management Systems (SPMSs) had more frequent strategy reformulations and also more clear strategic agendas. SPMSs are an example of monitoring and evaluation methods used in the context of strategic planning and highlight the essentiality of the process to the entire strategic planning process. Kumar (2015) states that strategic monitoring and evaluation involves defining the parameters to be measured, setting targets for those parameters, performing measurements and comparing the results to set standards and making the necessary adjustments to strategy. This is the basic methodology that explains why strategic monitoring and evaluation ploughs back to refinement of the strategies formed in an organization.

Punt et al. (2016) explores management strategy evaluation (MSE) best practices and notes that they can be used both to select the best strategy as well as determine the viability of an existing strategy. MSEs often use simulations and other methods to examine the best ways of achieving organization effectiveness and other management actions. They play an essential work in representing uncertainty, characterizing objectives as well as interpreting the results of evaluation. He paper presents a unique perspective of strategic monitoring and evaluation that maintains traction in both strategy formulation and the end processes of evaluating the outcomes of strategy. Managers and business leaders are required to understand the full extent of the applications of such tools in order to ensure that firms profits from them maximally. Notably each strategy and organizational context necessitates certain monitoring and evaluation tools and thereby it is imperative to understand them in their variety and uniqueness.

Sekhar (2009) also addressed strategic evaluation and control, identifying their role in business decision making and the key participants involved in the process. The author states that the function of strategic evaluation and control is to track strategy once it is in play and identify problems and fix them where necessary. First, the process was necessary to establish the viability and practicality of the strategy in place. Secondly, it was essential in testing the organization's objectives, mission and vision against the reality in the marketplace. Given that strategic implementation was carried out by employees and other stakeholders, the process was also useful in gauging whether all those involved in strategic planning as a whole understood all their roles and were carrying them out as required. In so doing, it broadens the knowledge of employees and the management about the strategy in place and the best way to approach it. More importantly, strategic monitoring and evaluation provides lots of information that managers and other decision makers can use in formulating new strategy. In support of monitoring and evaluation processes are information systems that measure performance and compare it against set standards. Also involved are control systems that set standards, analyze variables and take corrective actions.

On their part, Middlewood and Lumby (1998) argued that strategic monitoring and evaluation was quite a novel concept in both business and educational contexts, despite the decades of research in strategic planning and the entire strategic management process. They state that in the school context, many organizations had acquiescence to strategic management and planning, but very few had been successful in strategic implementation and the final stage of monitoring and evaluation. They state that strategic evaluation could be used in both determining the effectiveness of strategy and selecting the best strategies. The study concludes that the involvement of staff by making sure that they understand their role can make strategic evaluation and control effective.

In conclusion, strategic monitoring and evaluation is thus the final stage of the strategic planning process, and entails assessing the effectiveness of strategy and coming up with remedial mechanisms to any apparent problems. However, it must be noted that strategic monitoring and evaluation can be used in selecting strategy, rather than just evaluating its effectiveness as in the case of MSE. More importantly, it offers insights that can be used in reshaping strategy or in some cases forming new strategies. It must be noted that there is no available literature linking strategic evaluation and monitoring to improved organization performance.

2.4 Conceptual Framework

According to Yin (2013), the conceptual framework is a representation of the relationships between the various variables in the study. It encompasses a breakdown of how the independent variables and dependent variable in the study relate. The conceptual framework for the study was as shown below.

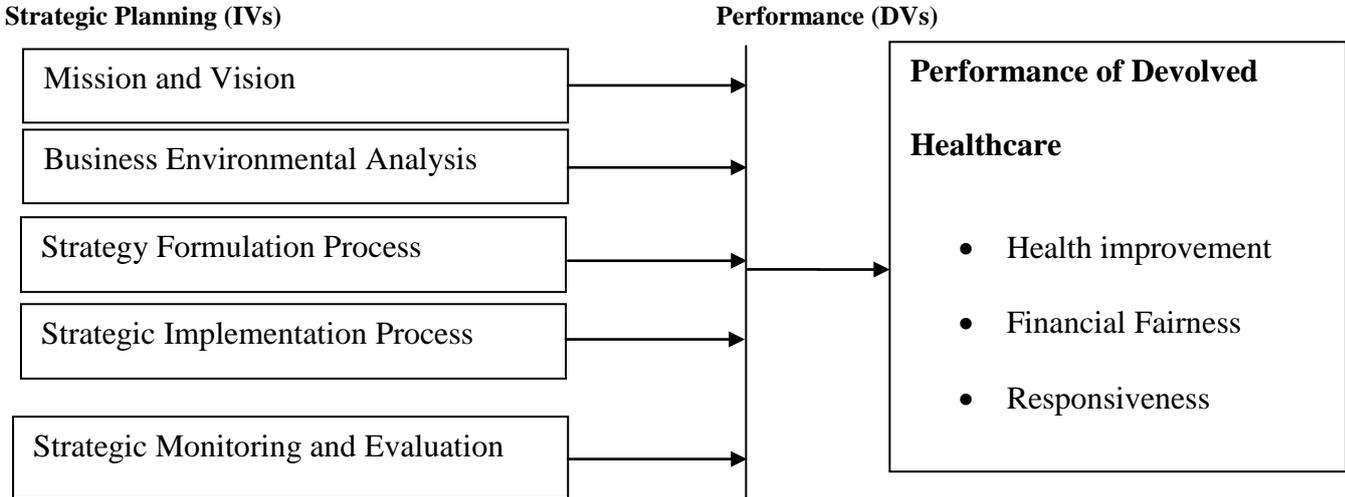
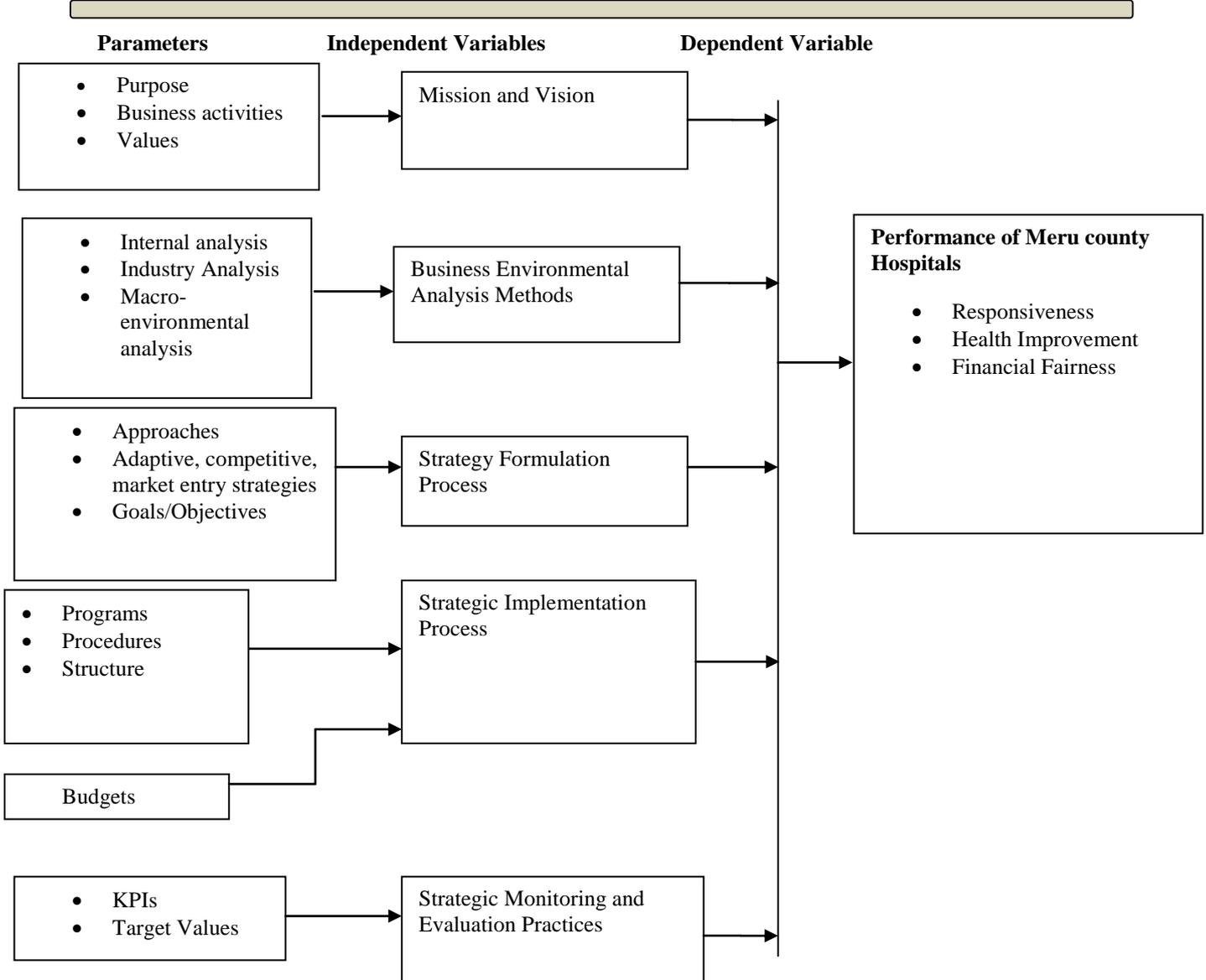


Figure 1: Conceptual Framework

Source: [Author]

2.5. Operational Framework

The operational framework shows how the variables of the study were investigated in practice. It breaks down each variable into a group of constituent indicators. The framework for the study in this respect was as follows:



Source:[Author]

Figure 2: Operational Framework

The independent variables included mission and vision statements, business environmental analysis, strategic formulation, strategic implementation and strategic monitoring and evaluation. The mission and vision of the organization encompasses the values that govern behavior of the employees, the business activities that the organization engages in and the purpose for which the institution was created.

Environmental analysis entails both scanning of the macro and micro environment as well as the industry (healthcare in this case) in which the organization exists in. This analysis reveals strengths, weaknesses, opportunities and threats as well as other factors within or outside the business and gives an overview of the institution's strategic position.

Strategy formulation entails coming up with tactical and long term measures such as adaptive strategies, market entry strategies, long term goals, competitive strategies and so forth that respond to changes in the inside or outside environment. Strategy implementation on its part requires the coming up with budgets, setting up structures and programs as well as laying out procedures of how to actualize the formed strategies. It is the main decision making stage in the strategic planning process.

Strategic monitoring and evaluation involves setting up Key Performance Indicators (KPIs) and target values upon which the impact of the entire strategic planning process can be measured.

The performance of public hospitals in Meru County was the dependent variable in this case and was defined by health improvement, financial fairness and the responsiveness of care.

Health improvement entails the health status of the population throughout their life course including premature mortality, non-fatal outcomes and health distribution. Responsiveness of care to the health system's response to individual's legitimate expectations on non-health enhancing aspects of care such as dignity, respect, confidentiality and overall treatment in the healthcare environment (Murray and Frenk, 1999).

Financial fairness entails two aspects. First, individuals should not be impoverished by the fiscal burden of healthcare or pay a disproportionate share of their income towards treatment. Secondly, the poor should pay less for healthcare than the rich (Murray and Frenk, 1999). The proposed paper shall use this framework to measure performance of Meru County Hospitals.

2.6. Summary and Research Gap

The empirical and theoretical reviews reaffirmed the mission and vision, environmental scanning, strategy formulation, strategy implementation and strategic monitoring and evaluation as essential components of the strategic planning process. The link between strategic planning as a whole and organizational performance was extensively studied and widely established as positive. However, few studies examined the relationship between components of the strategic planning process (mission and vision, environmental scanning, strategy formulation, strategy implementation and strategic monitoring and evaluation) and firm performance. In the few available studies, none presented strong evidence that offered a concrete picture of the relationship. For instance, the relationship between mission and vision statements and organization performance was mediated by managerial commitment while most organizations were unable to use such statements for unique positioning. On business environmental analysis, there were no studies linking the facet directly to improved organizational performance with the featured relationship only implicit. Elsewhere, the strategy formulation process showed some relationship with organizational performance but also had inconsistencies that involved the role of mediators such as TQM and SPMSs. On implementation, there were lots of evidence linking it with performance, but again mediated by finding a fit between strategic orientation and the implementation style. There was no evidence found directly linking strategic monitoring and evaluation with improved organizational performance. The study therefore bridged the gap with a presentation of fresh evidence on how each of the components of the strategic planning process related to organizational performance. Additionally, it examined the relationship between strategic planning and performance of devolved healthcare, a line of inquiry unexplored in available literature.

Research Methodology

3.1. Introduction

This section highlights the research design, target population, sampling and sample size, data collection procedures and the data analysis techniques. Generally, the detail entails the various methods employed in achieving the objectives of the study.

3.2. Research Design

According to Scheuren (2004), a research design is the general strategy that is employed in the study in addressing the research questions. It offers the framework for data collection, sampling and analysis in the given research. In this case, the completed study was a census survey covering level five and level four county hospitals in Meru County. A descriptive survey often focuses on identifying trends and pursuing specific hypotheses, predictions and narratives about a subject, often resulting in qualitative data (Mulonzi, 2014). Further, it entails data collection from a number of cases. A census survey allows for a number of hospitals to be included in the sample given that the number of healthcare institutions in the inclusion criteria was not large. Both ordinal and nominal scales were used in the measurement of the dependent and independent variables.

3.3. Target Population

The study targeted both clinical and non-clinical staffs at Meru County's level five and level four hospitals. Hospital administrators, Head of departments, Medical superintendent, Managers, medical officers, clinical officers, nursing officers and social workers were the specific groups that were focused on in the

process. This is because the above individuals were largely involved in the implementation process as far as devolved healthcare was concerned and more importantly deliver at the basic levels that either involve the patients or other stakeholders. They were thus well placed to opine on the presence, nature and impact of strategic planning and its impact on performance. Further, the population had the requisite literacy levels to enable them to comprehend the survey questions and offer appropriate answers. There were about 1500 clinical and non-clinical health workers in Meru County out of which about a third operated in level 5 and Level 4 facilities. Table 1 below shows the target population.

Table 1: Target Population

Health Facility	Clinical Staff	Non Clinical Staff	Total
MeruTeaching and Referral Hospital	50	70	120
Nyambene	28	32	60
Kanyakine	26	35	61
Muthara	34	44	78
Timau	29	41	70
Mikinduri	35	47	82
Miathene	33	44	77
Grand total	235	313	548
Source: Health Policy Project, 2015.			

3.4. Sampling and Sample Size

The study was in the form of a census survey where data was collected from all the six level 4 hospitals and one level 5 hospital in Meru County. The sampling method used was judgmental sampling, a non-probability technique where the researcher relied on their expertise and individual judgment to decide who shall be involved in the study. In this case, level 4 and level 5 hospitals were purposively selected because of their scales of operation and scope of mandate that allows for strategic planning practices. Additionally, the researcher applied the same method to select respondents from the sample population that have adequate exposure to strategic planning activities for the purposes of data collection. Mugenda and Mugenda (2003) suggested the following formula for calculating sample size for populations over 10,000:

$$n = z^2 p (1-p) / d^2$$

Where:

n – Sample size desired in study

z - The corresponding standard score with the probability of error at 0.05 and a confidence level of 95%, i.e. 1.96

p - The occurrence level of the subject of study (given as 0.5 where the occurrence level is unknown)

d - The selected probability of error in the study corresponding to 95% confidence level in this scenario 0.05

Substituting;

$$n = 1.96^2 \times 0.5 (1-0.5) / 0.05^2$$

$$n = 384$$

However, the target population was less than 10,000 (548) thereby, the following formula applied:

$$n = \frac{n \times N}{1+n/N}$$

Where:

n = the desired sample size when population is less than 10,000

n = the sample size when the population is above 10,000

N = the target population in the study

Substituting;

$$n = 384$$

$$1 + \frac{384}{548}$$

$$n = 225$$

Therefore, 225 persons purposively selected from the 7 hospitals (around 32 per hospital) formed the sample.

3.5. Data Collection

Semi-structured questionnaires were used to collect survey data. These were useful in getting contextual and detailed information regarding the independent and dependent variables. The use of such enhanced the quality of evidence that was presented in support of the inferences and recommendations. In addition, a Likert scale was used whence respondents explained to what extent they thought strategic planning had been impactful on the performance of Meru County hospitals. The questionnaires were then distributed physically to the various institutions in the study sample for filling.

3.6. Data Analysis

The data was checked for consistency, uniformity and completeness prior to analysis. This was essential for the purposes of ensuring that the analysis offered the predicated trends and outcomes besides being error-free. The Statistical Packages for the Social Sciences (SPSS) software was then employed to analyze the data with descriptive statistics such as percentages, means, frequency and standard deviation obtained from the responses. As such, the study partly encompassed descriptive analysis. Inferential statistics were analyzed using regression analysis as suggested by Macharia (2013) which helped in the description of the relationship between the dependent and the independent variable. The regression equation was given as:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

Where Y was the dependent variable, X_1 - X_n were the components of strategic planning and b_1 - b_5 were their coefficients.

3.7. Reliability of Data Collection Instruments

According to Olive and Abel (2003), the reliability of an instrument is its ability to produce consistent results in repeated trials. It is affirmed when the data it collects from the sample offers consistent results. This was established using the split half technique suggested by Kubai (2015). In the given framework, a split half coefficient between 0.8 -1.0 was considered reliable enough. The procedure involves splitting the scale into two halves and correlating the scores from each side, with a high correlation indicating high internal consistency. As reported in the findings (Chapter 4, section 4.5), the Spearman-brown coefficient value was given as 0.926 which is above 0.8. This implies that the instruments were reliable enough for the purposes of conducting the study.

3.8. Validity of the Data Collection Instruments

Scheuren (2005) identified reliability as the most important criterion of choosing a data collection instrument. It refers to the ability of an instrument to measure what it is supposed to measure. This was established through a pilot test that was administered on the sample population under the tutelage of the supervisor. The expert opinion of the supervisor was sought in establishing whether the questionnaire was able to generate responses that adequately addressed the research questions.

3.9 Ethical Considerations

The researcher ensured that all participants in the study took part voluntarily and to that effect issued written consent. Additionally, their biographical and other types of information issued during the study were used for study purposes only. None of it was to be adapted, transmitted, shared or reproduced for any intention besides the fulfillment of study objectives. This was besides ensuring anonymity of all respondents.

Data Analysis, Presentation and Discussion

4.0 Introduction

This section highlights the analysis of data collected from the field, its presentation in charts and tables as well as its discussion in line with theory and other studies. It covers the response rate, the background information of the respondents and information on the various facets of strategic planning (mission and vision, business environmental analysis, strategy formulation, strategy implementation and strategic monitoring and evaluation) and performance of public hospitals in Meru County.

4.1 Response Rate

There was a 100% response rate (100%, n=225).

4.2 Background Information

4.2.1 Age of the Respondents

Most of the respondents (29.8%, n=67) were in the age category of 26-30 years, 18.2% (n=41) of the respondents were in the age category of 31-35 years, 17.8% (n=40) of the respondents were in the age category of 20-25 years, 16% (n=36) of the respondents were in the age category of 36-40 years, 6.2% (n=14) of the respondents were above 50 years of age, 4% (n=14) of the respondents were in the age category of 46-50 years whereas 3.6% (n=8) of the respondents were in the age category of 41-45 years.

Table 2: Age of the Respondents

		Frequency	Percent
Valid	20-25 years	40	17.8
	26-30 years	67	29.8
	31-35 years	41	18.2
	36-40 years	36	16
	41-45 years	8	3.6
	46-50 years	9	4.0
	>50 years	14	6.2
Total		225	100.0

4.2.2 Gender of the Respondents

Most of the respondents (64%, n=145) were female whereas 36% (n=80) of the respondents were male.

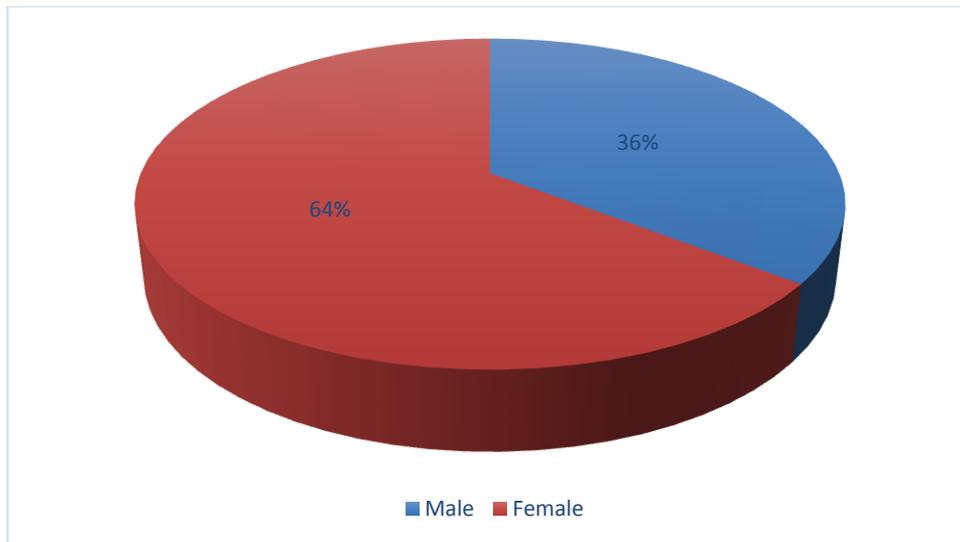


Figure 3: Gender of the Respondents

4.3 Information on the relationship between strategic planning components and the performance of hospitals

4.3.1 Information on Mission and Vision

4.3.1.1 Presence of Mission and Vision

Most of the respondents (81%, n=189) stated that the hospital has a mission and vision, 10% (n=23) of the respondents stated that the hospital did not have a mission and vision whereas 6% (n=13) of the respondents did not know whether the hospital has a mission and a vision.

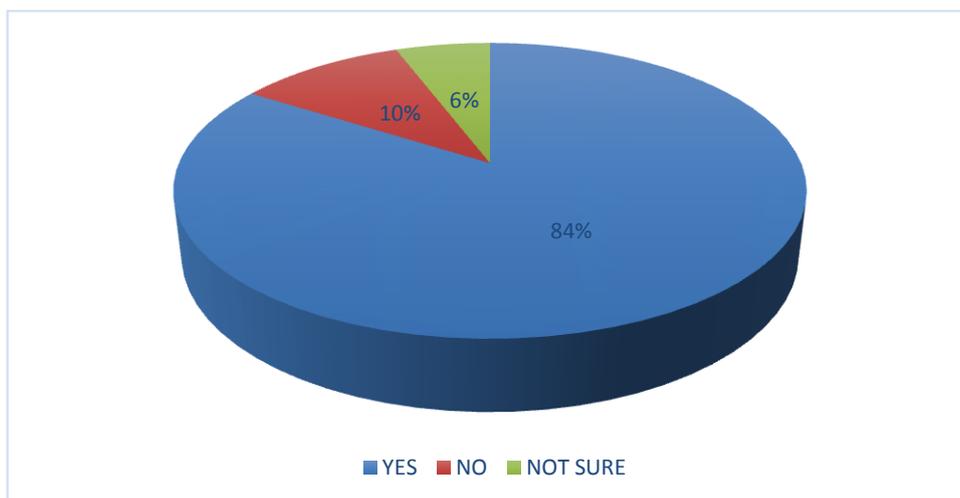


Figure 4: Presence of Mission and Vision

4.3.1.2 Clear Articulation of the Mission and Vision

Most of the respondents (76%, n=172) stated that the vision and mission was clearly articulated whereas 24% (n=53) of the respondents stated that the vision and mission was not clearly articulated.

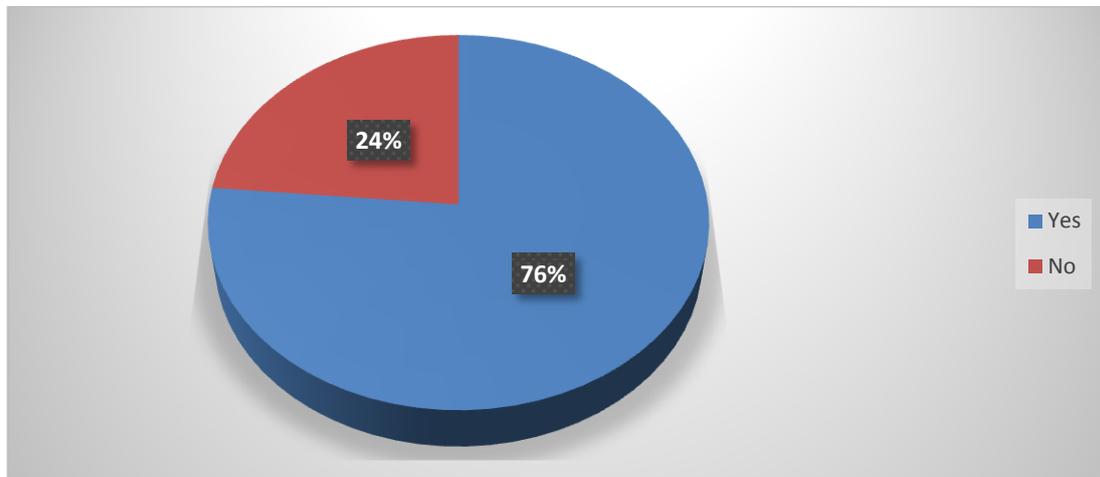


Figure 5: Clear Articulation of Mission and Vision

4.3.1.3 Core Values

On the core values that govern staff behaviour the most commonly cited core value was teamwork (72%, n=160), followed by integrity (54%, n=118) whereas other core values were cited by less than half of the respondents. The core values that were cited by less than half the respondents included the following: confidentiality (46%, n=104), respect (40%, n=90), compassion (28%, n=65), courtesy (28%, n=65) and excellence (17%, n=39).

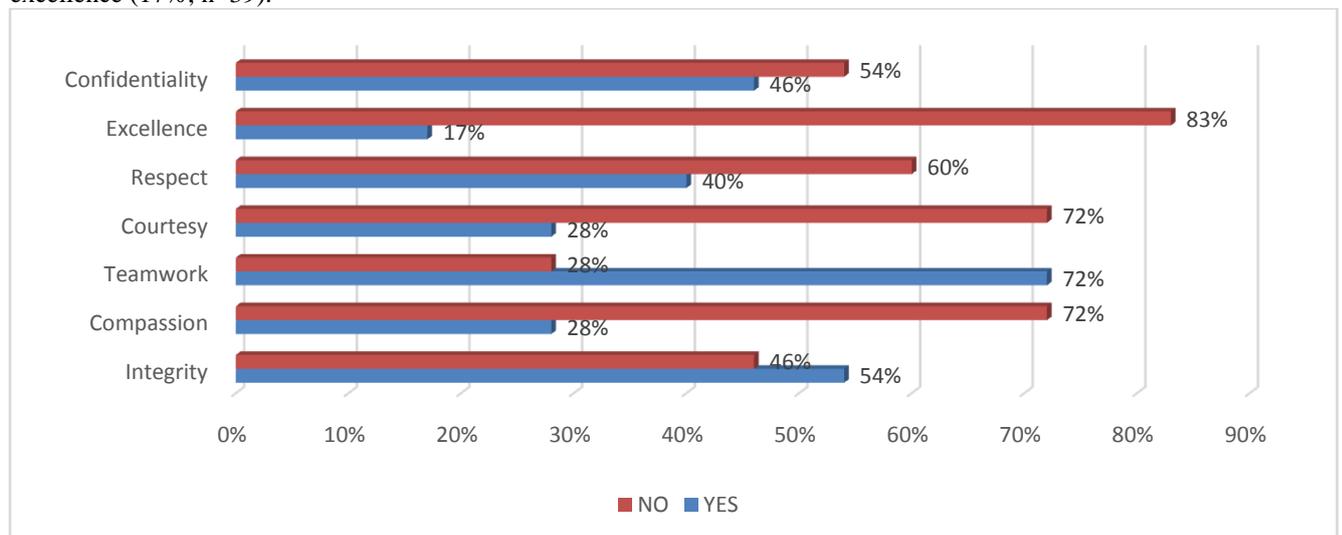


Figure 6: Core values that Govern Staff Behavior

4.3.1.4 Purpose of Healthcare Institution

Most of the respondents (75.6%, n=170) stated that the purpose of their institution was to provide quality healthcare services, 9.8% (n=22) of the respondents stated that it was to improve health services, 7.6% (n=17) of the respondents stated that the purpose was to teach and have patients referred whereas 7.1% (n=16) of the respondents stated that it was to deliver affordable integrated health services.

Table 3: Purpose of Healthcare Institution

		Frequency	Percent
Valid	Provision of quality healthcare services to the people	170	75.6
	To teach and have patients referred	17	7.6
	To improve the healthcare services	22	9.8
	Delivery of affordable integrated health services	16	7.1
Total		225	100.0

4.3.1.5 Main Activities

With respect to the activities that the hospital was involved in, slightly more than a third of the respondents (35.1%) stated that it offered outpatient services, 16% (n=36) of the respondents stated that it offered prevention, treatment and curative services, 12.9% (n=29) of the respondents stated that it offered outpatient services whereas 10.7% (n=24) of the respondents stated that it offer lab services. Less than a tenth of the respondents listed the following activities: administrative service (8%, n=18), diagnosis services (5.7%, n=13), maternity services (5.3%, n=12), family planning services (0.9%, n=2), counseling services (0.9%, n=2), social mobilization (0.9%, n=2), home based care services (0.9%, n=2), referral services (0.4% (n=1), emergency services (0.4%, n=1), ccc (0.4%, n=1), screening services (0.4%, n=1), theatre services (0.4%, n=1), cwc (0.4%, n=1).

Table 4: Activities of the Healthcare Institutions

		Frequency	Percent
Valid	Outpatient services	79	35.1
	Prevention, treatment and curative services	36	16.0
	Outpatient services	29	12.9
	Laboratory services	24	10.7
	Administrative services	18	8.0
	Diagnostic services	13	5.7
	Maternity services	12	5.3
	Family planning services	2	.9
	Counseling services	2	.9
	Social mobilization	2	.9
	Home based care services	2	.9
	Referral services	1	.4
	Emergency services	8	3.1
	CCC	1	.4
	Screening services	1	.4
	Theatre services	1	.4
CWC	1	.4	
Total		225	100.0

4.3.1.6 Alignment of Activities to the Purpose and Core Values

Most of the respondents (82%, n=184) agreed that the activities are aligned to the purpose of the institution and the core values whereas 18% (n=41) of the respondents disagreed.

Figure 4.1 Alignment of activities to the purpose of the institution and its core values

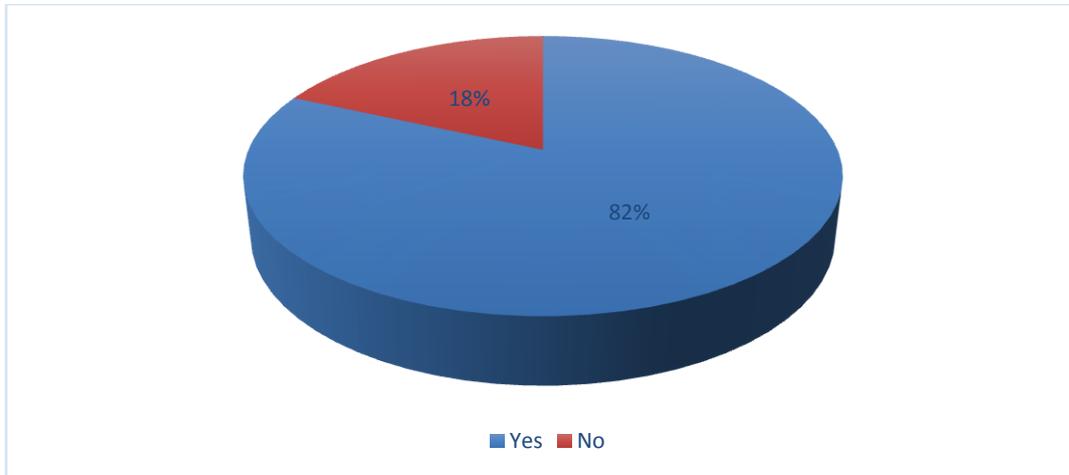


Figure 7: Alignment of Activities to the Purpose of the Institution and its Core Values

4.3.1.7 Communication of the mission and vision statement, purpose and core values

Regarding how the mission and vision statement, purpose and core values are communicated most of the respondents (60.4%, n=136) stated that they saw it on their main gate whereas 21.3% (n=48) of the respondents saw it in their strategic plan. Less than a tenth of the respondents saw these elements communicated in the following ways: newsletters (9.3%, n=21), internal memos (2.7%, n=6), Medical Education (1.7%, n=4), Health departments (1.7%, n=4), Meetings (1.7%, n=4), Meetings (0.4%, n=1) and Websites (0.4%, n=1).

Table 5: Communication of the Mission and Vision Statement, Purpose and Core Values of the Institution

		Frequency	Percent
Valid	Strategic plan	48	21.3
	Newsletter	21	9.3
	Main gate	136	60.4
	Medical Education	4	1.7
	Meetings	1	.4
	Internal Memos	6	2.7
	Health departments	4	1.7
	Websites	1	.4
	Meetings	4	1.7
Total		225	100.0

4.3.1.8 Impact of purpose, core values and business activities involved on areas of performance

On the impact of purpose, core values and business activities on health improvement slightly more than a third of the respondents (35.1%, n=79) stated that it had a moderate contribution, 31.6% (n=71) of the respondents stated that it contributed to a great extent, 19.6% (n=44) of the respondents stated that it contributed to a little extent, 10.2% (n=23) of the respondents stated that it contributed to a very great extent whereas 3.6% (n=8) of the respondents stated that there was no contribution at all.

Concerning the impact of purpose, core values and business activities on the responsiveness of care slightly more than a third of the respondents (36%, n=81) stated that it contributed to a great extent, 35.1% (n=79) of the respondents stated that it had a moderate contribution, 15.6% (n=35) of the respondents stated that it contributed to a little extent, 8.4% (n=19) of the respondents stated that it contributed to a very great extent whereas 4.4% (n=10) of the respondents stated that there was no contribution at all.

Regarding the impact of purpose, core values and business activities on financial fairness slightly more than a third of the respondents (33.8%, n=76) stated that it had a moderate contribution, 28% (n=63) of the respondents stated that it contributed to a little extent, 15.6% (n=35) of the respondents stated that it contributed to a great extent, 12% (n=27) of the respondents stated that it contributed to a very great extent whereas 10.6% (n=24) of the respondents stated that there was no contribution at all.

Table 6: Impact of Purpose, Core Values and Business Activities Involved on Areas of Performance

Performance parameters	Level of contribution									
	not at all		to a little extent		moderate		to a great extent		to a very great extent	
	N	%	N	%	N	%	N	%	N	%
Health Improvement	8	3.6	44	19.6	79	35.1	71	31.6	23	10.2
Responsiveness of care	10	4.4	35	15.6	79	35.1	81	36	19	8.4
Financial fairness	24	10.6	63	28	76	33.8	35	15.6	27	12

4.3.2 Information on Business Environmental Analysis

4.3.2.1 Performance of internal / external/ industry environmental analysis

Slightly less than half of the respondent (44%, n=98) agreed that the organization performs an internal, external or industry environmental analysis, 13% (n=29) disagreed whereas 42% (n=95) of the respondents were not sure.

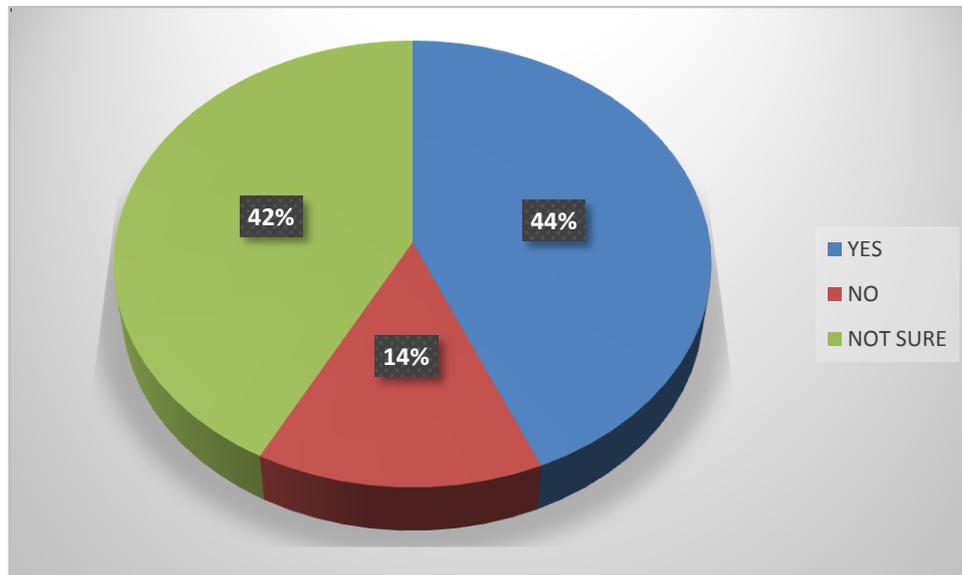


Figure 8: Performance of Internal/External/ Industry Environmental Analysis

4.3.2.2 Methods used in analysis

Close to half of the respondents (45.3 %, n=102) did not know what method was used to carry out the internal, external or industry environmental analysis, 40.9% (n=92) of the respondents stated that it was SWOT analysis whereas less than ten percent of the respondents stated the following methods: PESTEL analysis (8%, n=18), internal analysis (2.7%, n=6), outreach activities (1.8% (n=4) and report analysis (1.3%, n=3).

Table 7: Methods used in Analysis

		Frequency	Percent
Valid	SWOT Analysis	92	40.9
	PESTEL Analysis	18	8.0
	Internal Analysis	6	2.7
	Outreach Activities	4	1.8
	Report analysis	3	1.3
	Do not Know	102	45.3
Total		225	100.0

4.3.2.3 Access to the Analysis Processes

Regarding the frequency of being privy to the analysis process most of the respondents (48.9%, n=110) stated that they are never privy to the analysis processes, 16% (n=36) of the respondents stated that they are privy to the process quarterly, 15.1% (n=34) of the respondents stated that they are privy to the process annually, 8.4% (n=19) of the respondents stated that they are privy to the process half a yearly whereas 7.1% (n=16) of the respondents stated that they are privy to the process monthly.

Table 8: Access to the Analysis Processes

		Frequency	Percent
Valid	Monthly	16	7.1
	Bimonthly	10	4.4
	Quarterly	36	16.0
	Half Yearly	19	8.4
	Annually	34	15.1
	Never Privy	110	48.9
Total		225	100.0

4.3.2.4 Persons Mandated with Environmental Analysis

Most of the respondents (42.7%, n=96) stated that the persons mandated with the business environment analysis were heads of departments, 13.3% (n=30) of the respondents stated that it was the management, 7.1% (n=13) of the respondents stated that it was the strategy team, 6.7% (n=15) respondents stated that it was the junior staff whereas 31.6% (n=71) respondents did not know.

Table 9: Person Mandated with such Analysis in the Institution

		Frequency	Percent
Valid	Management	30	13.3
	Strategy team	13	7.1
	Junior Staff	15	6.7
	Heads of Departments	96	42.7
	Do not know	71	31.6
Total		225	100.0

4.3.2.5 Impact of Business Analysis Processes on Performance

In regards to the impact of the business analysis processes on health improvement most of the respondents (52.8%, n=119) stated that it had a moderate contribution, 16.9% (n=38) of the respondents stated that it contributed to a great extent, 13.8% (n=31) of the respondents stated that it contributed to a little extent, 10.7% (n=24) of the respondents stated that it contributed to a very great extent, 5.8% (n=13) of the respondents stated that it had no impact at all.

In regard to the impact of the business analysis processes on responsiveness to care most of the respondents (41.8%, n=94) stated that it had a moderate contribution, 23.6% (n=53) of the respondents stated that it contributed to a very great extent, 23.1% (n=52) of the respondents stated that it contributed to a great extent, 6.7% (n=15) of the respondents stated that it contributed to a little extent whereas 4.9% (n=11) of the respondents stated that there was no contribution at all.

In regard to the impact of the business analysis processes on financial fairness most of the respondents (48%, n=108) stated that it had a moderate contribution, 22.2% (n=12) of the respondents stated that it contributed to a great extent, 16.4% (n=37) of the respondents stated that it had a little impact, 7.6% (n=7) of the respondents stated that there was no contribution at all whereas 5.3% (n=12) of the respondents stated that it contributed to a very great extent.

Table 10: Impact of Business Analysis Processes on Various Areas of Performance

Performance parameters	Level of contribution									
	not at all		to a little extent		moderate		to a great extent		to a very great extent	
	N	%	N	%	N	%	N	%	N	%
Health Improvement	13	5.8	31	13.8	119	52.8	38	16.9	24	10.7
Responsiveness of care	11	4.9	15	6.7	94	41.8	52	23.1	53	23.6
Financial fairness	17	7.6	37	16.4	108	48	50	22.2	12	5.3

4.3.3 Information on Formulation of Business Strategy

4.3.3.1 Engagement in Strategy Formulation

Slightly less than half of the respondent (44%, n=99) agreed that the organization engages in strategy formulation, 13% (n=29) disagreed that the institution engages in strategy formulation whereas 43% (n=97) of the respondents were not sure if the organization engages in strategy formulation.

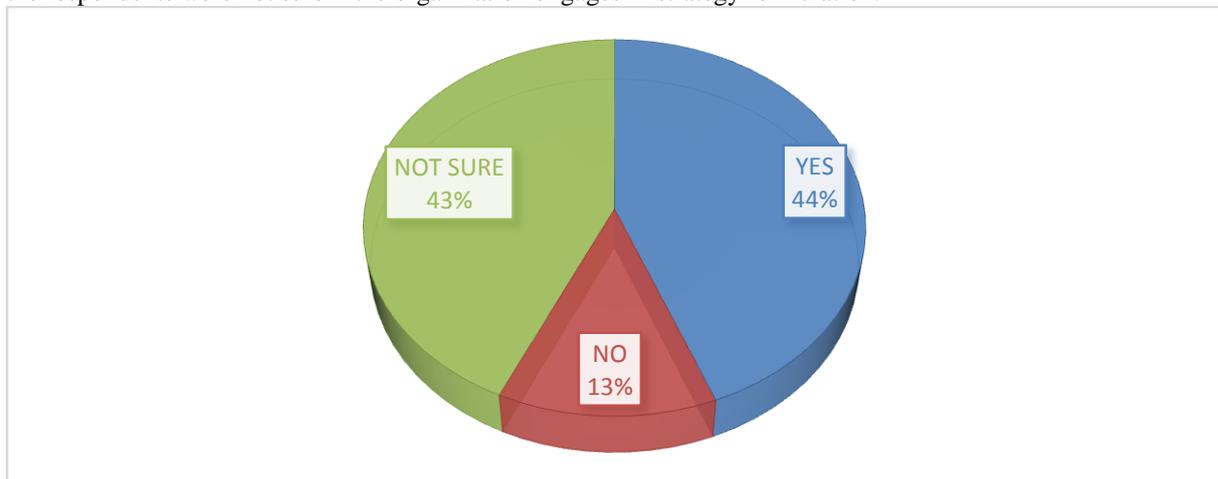


Figure 9: Engagement in Strategy Formulation

4.3.3.2 Persons in charge of forming strategies

In regard to the persons in charge of forming strategies most of the respondents stated that it was the hospital management (58.2%, n=131), 25.8% (n=58) of the respondents stated that it was the county government, 7.1% (n=16) of the respondents stated that it was the medical superintendent, 7.1% (n=16) of the respondents stated that it was the hospital administrator whereas 1.8% (n=4) of the respondents stated that it was the heads of departments.

Table 11: Persons in charge of Forming Strategies

		Frequency	Percent
Valid	County Government	58	25.8
	Hospital Management Team	131	58.2
	Medical Superintendent	16	7.1
	Hospital Administrator	16	7.1
	Heads of Department	4	1.8
Total		225	100.0

4.3.3.3 Types of Strategies

Regarding the strategies formed most of the respondents (42.2%, n=95) stated that the institution had formed and adaptive strategy, 28.9% (n=65) of the respondents stated that a directional strategy had been formed, 14.6% (n=33) of the respondents did not know the strategy formed, 8.9% (n=20) of the respondents

stated that a competitive strategy had been formed whereas 5.3% (n=12) of the respondents stated that a market entry strategy had been formed.

Table 4.1 Kinds of strategies formed

Table 12: Types of Strategies Formed

		Frequency	Percent
Valid	Adaptive	95	42.2
	Competitive	20	8.9
	Market entry	12	5.3
	Directional	65	28.9
	Did not know	33	14.6
Total		225	100.0

4.3.3.4 Approaches for Addressing Challenges or Opportunities

Slightly more than half of the respondents (56.4%, n=127) were not aware of any approaches that the institution had come up with to address emerging challenges as well as opportunities whereas the other approaches devised included the following: holding regular meetings (18.7%, n=42), employee involvement in strategy formulation (12.4%, n=29), involving community members (3.1%, n=8), innovations for quality health services (2.2%, n=5), staff training (1.8%, n=4), hiring personnel (1.3%, n=3), using guideline from WHO and Ministry of Health (0.9%, n=2), emergency preparedness and response services (0.9%, n=2), budget setting (0.9%, n=2) provision of NHIF services (0.9%, n=2), disease surveillance (0.9%, n=2), conducting referrals (0.4%, n=1) or prioritizing treatment (0.4%, n=1).

Table 13: Approaches devised to Address Emerging Challenges or Opportunities

		Frequency	Percent
Valid	Holding regular meetings	42	18.7
	Staff training	4	1.8
	Using guideline from WHO and Ministry of Health	2	.9
	Emergency preparedness and response services	2	.9
	Budget setting	2	.9
	Conducting referrals	1	.4
	Hiring personnel	3	1.3
	Prioritizing treatment	1	.4
	Employee involvement in strategy formulation	29	12.4
	Innovations for quality health services	5	2.2
	Provision of NHIF services	2	.9
	Disease surveillance	2	.9
	Involving community members	8	3.1
Did not know	127	56.4	
Total		225	100.0

4.3.3.5 Involvement of Employees in Strategy Formulation

Most of the respondents (57%, n=128) agreed that employees are involved in strategy formulation whereas 43% (n=97) of the respondents disagreed.

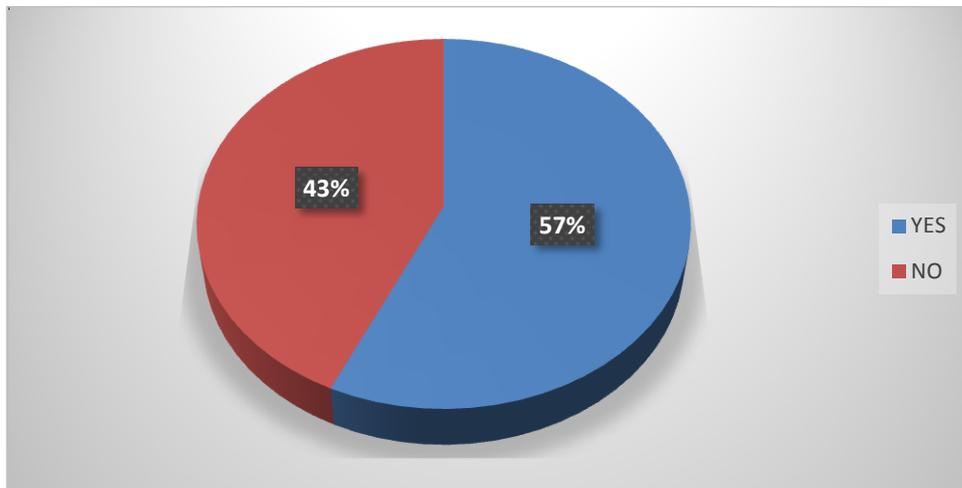


Figure 10: Involvement of Employees in Strategy Formulation

4.3.3.6 Setting up of Goals or Objectives

Most of the respondents (80%, n=179) agreed that the institution sets up goals or objectives whereas 20% (n=46) of the respondents disagreed.

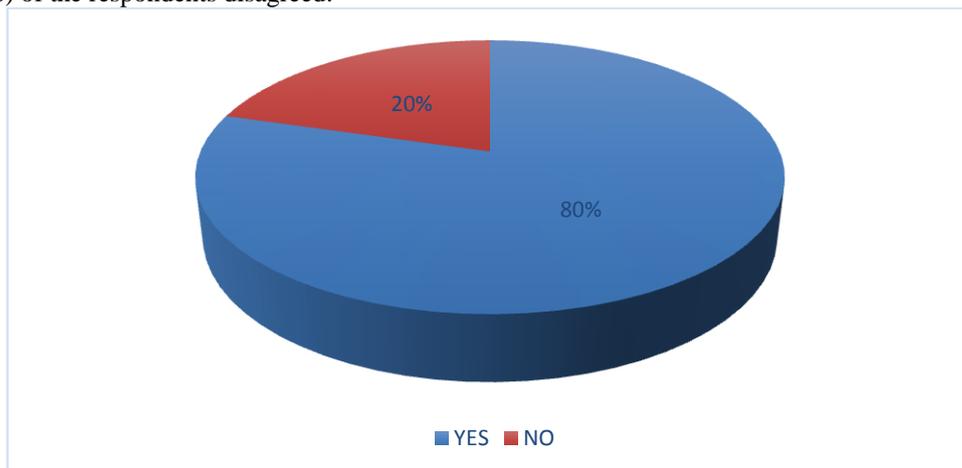


Figure 11: Setting up of Goals or Objectives by Institution

4.3.3.7 Types of Objectives Set

Slightly less than half of the respondents (46.7%, n=105) did not know any objectives that the institution had set whereas 27.1% (n=61) of the respondents stated that one of the objectives was to be a leading healthcare provider in the region. The other objectives were stated by less than a tenth of the respondents and they include the following: to grow financially (3.1%, n=7), expand services (3.1%, n=7), improve equipment and infrastructure (2.2%, n=5), reduce the cost of health services (2.2%, n=5), reduce the mortality rate (0.9%, n=2), achieve quality maternal services (0.9%, n=2), provide timely services (0.9%, n=2), conduct community outreaches (0.4%, n=1), conduct community outreaches (0.4%, n=1), lowering the prevalence of measles mumps and rubella (0.4%, n=1), offer mortuary services (0.4%, n=1).

Figure 12: Objectives Set by the Institution

		Frequency	Percent
Valid	Be a leading healthcare provider in the region	61	27.1
	Conduct community outreaches	1	0.4
	Improve equipment and infrastructure	5	2.2
	Provide monthly reports	2	.9
	To grow financially	7	3.1
	Expand services	7	3.1
	Conduct community outreaches	1	.4
	Reduce the mortality rate	2	.9
	Achieve quality maternal services	2	.4
	Provide timely services	2	.9
	Team work	3	1.3
	Lowering the prevalence of Measles Mumps and Rubella	1	.4
	Offer mortuary services	1	.4
	Reduce the cost of health services	5	2.2
	Do not know any objectives	105	46.7
Total		225	100.0

4.3.3.8 Contribution of Strategy Formulation to Performance

Regarding the contribution of strategy formulation on health improvement most of the respondents (39.6%, n=89) stated that it had a moderate contribution, 32.4% (n=73) of the respondents stated that it contributed to a great extent, 12.4% (n=28) of the respondents stated that it contributed to a little extent, 10.2% (n=23) of the respondents stated that it contributed to a very great extent whereas 5.3% (n=12) of the respondents stated that there was no contribution at all.

Concerning the impact of strategy formulation on responsiveness of care most of the respondents (38.2%, n=86) stated that it had a moderate contribution, 33.3% (n=75) of the respondents stated that it contributed to a great extent, 12.9% (n=29) of the respondents stated that it contributed to a very great extent, 9.8% (n=22) of the respondents stated that it contributed to a little extent whereas 5.8% (n=13) of the respondents stated that there was no contribution at all.

Regarding the impact of strategy formulation on financial fairness most of the respondents (34.2%, n=77) stated that it had a moderate contribution, 24.9% (n=56) of the respondents stated that it contributed to a little extent, 20.4% (n=46) of the respondents stated that it contributed to a great extent, 15.1% (n=34) of the respondents stated that it contributed to a very great extent whereas 5.3% (n=12) of the respondents stated that there was no contribution at all.

Table 14: Contribution of Strategy Formulation to Certain Areas of Performance

Performance parameters	Level of contribution									
	not at all		to a little extent		moderate		to a great extent		to a very great extent	
	N	%	N	%	N	%	N	%	N	%
Health Improvement	12	5.3	28	12.4	89	39.6	73	32.4	23	10.2
Responsiveness of care	13	5.8	22	9.8	86	38.2	75	33.3	29	12.9
Financial fairness	12	5.3	56	24.9	77	34.2	46	20.4	34	15.1

4.3.4 Strategy Implementation

4.3.4.1 Budgetary Adjustments

Most of the respondents (67%, n=151) agreed with the fact that the budget is adjusted to suit new strategies, 24% (n=54) of the respondents were not sure whereas (9% (n=20) of the respondents disagreed.

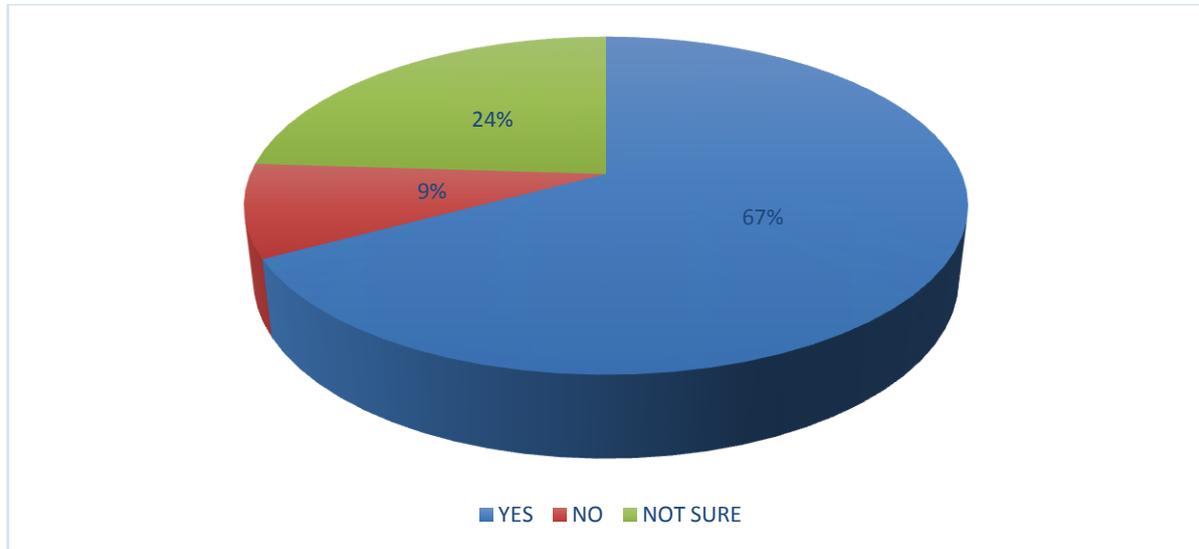


Figure 13: Adjustments made to Budget to Suit New Strategies

4.3.4.2 Structural Shifts

More than half of the respondents (59%, n=133) agreed that there are new structures set up to accommodate strategies, 28% (n=64) of the respondents were not sure whereas 13% (n=28) of the respondents disagreed.

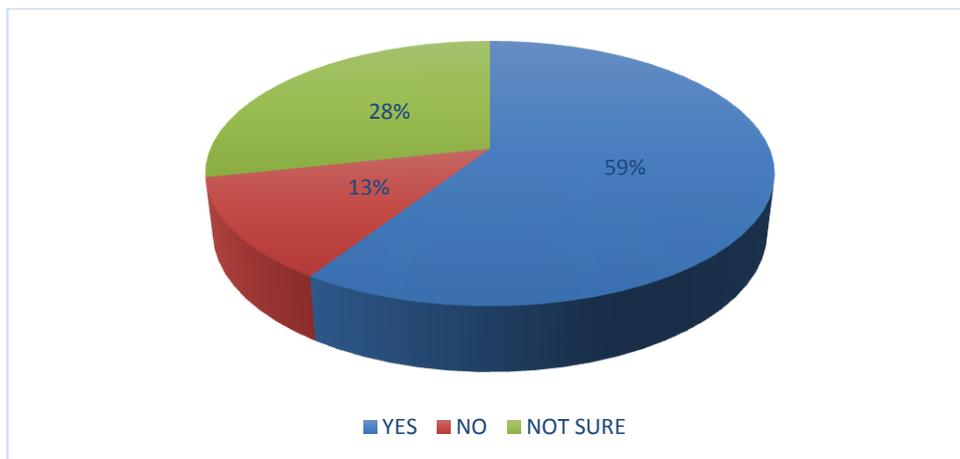


Figure 14: Presence of New Structures to Accommodate Strategies

4.3.4.3 Examples of shifts in organizational structure caused by strategic shifts

Most of the respondents (84.9%, n=191) were not aware of any shifts in organizational structure caused by strategic shifts but less than a tenth of the respondents noted the following shifts: expansion of the facility (5.8%, n=13), improvement of quality healthcare (3.6%, n=8), autonomy of departments (2.2%, n=5), increased number of staff (1.3%, n=3), Appointment of new hospital leaders (0.9%, n=2), implementation of ICT (0.9%, n=2) and revenue collection using a software (0.4%, n=1).

Table 15: Examples of Shifts in Organizational Structure caused by Strategic Shifts

		Frequency	Percent
Valid	Expansion of the facility	13	5.8
	Appointment of new hospital leaders	2	.9
	Autonomy of departments	5	2.2
	Revenue collection using a software	1	.4
	Increased number of staff	3	1.3
	Implementation of ICT	2	.9
	Improvement of quality healthcare	8	3.6
	Did not know	191	84.9
Total		225	100.0

4.3.4.4 Procedures guiding Strategic Implementation

Most of the respondents (47%, n=105) were not sure if there were any procedures that guided the implementation of a new strategy, 38% (n=87) of the respondents agreed that there were procedures that guided the implementation of a new strategy whereas 15% (n=33) of the respondents disagreed.

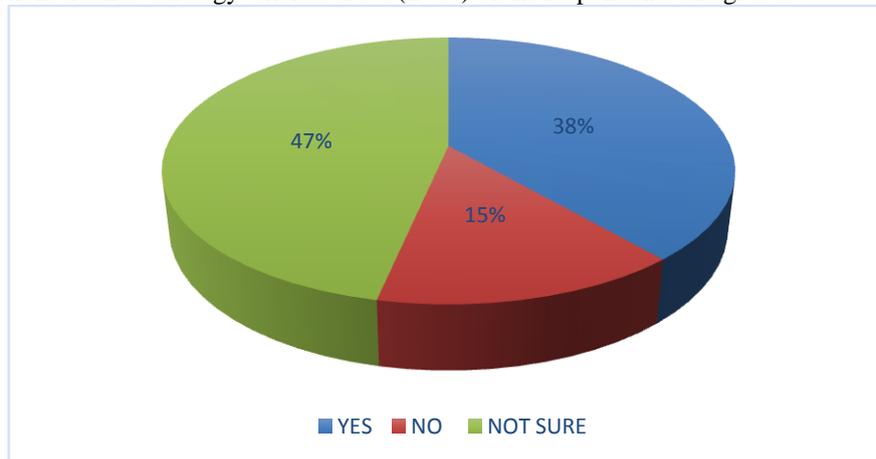


Figure 15: Presence of Procedures that Guide Implementation of a new Strategy

4.3.4.5 Examples of new procedures that have been caused by strategic shifts

Most of the respondents (90.2%, n=203) were not aware of any new procedures that have been caused by strategic shifts whereas less than ten percent of the respondents were aware of the following new procedures: teamwork (2.7%, n=6), standard operating protocols (2.7%, n=6), monthly meetings (1.3%, n=3), enrollment of support staff (0.9%, n=2), departmental reports (0.9%, n=2), budget setting (0.4%, n=1), devising of solutions to certain problems (0.4%, n=1), sensitizations (0.4%, n=1).

Table 16: Examples of new Procedures that have been Caused by Strategic Shifts

		Frequency	Percent
Valid	Team work	6	2.7
	Standard operating protocols	6	2.7
	Departmental reports	2	.9
	Budget setting	1	.4
	Devising solution for the problem	1	.4
	Enrolment of support staff	2	.9
	Sensitizations	1	.4
	Monthly meetings	3	1.3
	Not aware of any shifts	203	90.2
	Total		225

4.3.4.6 Employee Involvement in Strategic Implementation

Most of the respondents (44%, n=99) agreed that employees are involved in strategy implementation, 30% (n=67) of the respondents were not sure whereas 26% (n=59) of the respondents disagreed.

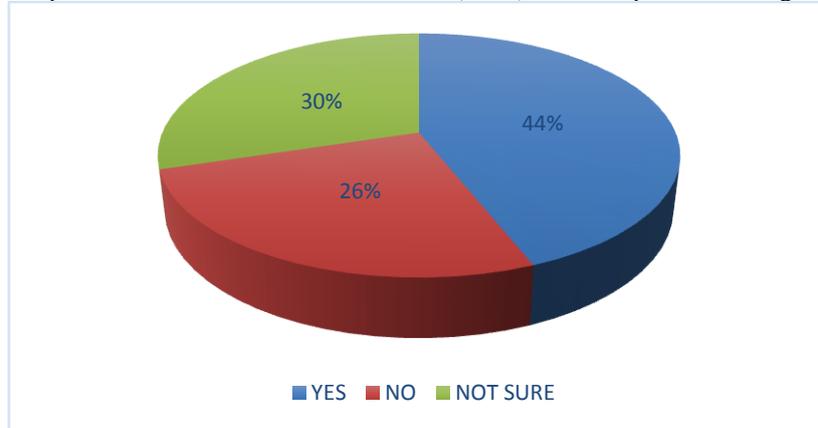


Figure 16: Involvement of Employees in Strategy Implementation

4.3.4.7 Employees involved in strategy implementation

Most of the respondents (67.1%, n=151) were not aware of any employees involved in strategy implementation whereas less than a third of the respondents (23.1%, n=52) stated that departmental heads were involved in the implementation of strategy. Less than a tenth of the respondents mentioned the following employees involved in strategy implementation: all employees (5.8%, n=13), hospital management team (1.3%, n=3), doctors and nurses (0.4%, n=1), pharmacists (0.4%, n=1), hospital matrons (0.4%, n=1) and medical superintendent (0.4%, n=1).

Table 17: Employees Involved in Strategy Implementation

		Frequency	Percent
Valid	Departmental Heads	52	23.1
	Casuals	2	.9
	Pharmacists	1	.4
	Hospital Management Team	3	1.3
	Hospital Matrons	1	.4
	Medical Superintendent	1	.4
	All employees	13	5.8
	Doctors and nurses	1	.4
	Not aware of any employees involved in strategy implementation	151	67.1
Total		225	100.0

4.3.4.8 Contribution of Strategy Implementation to Performance

On the contribution of strategy implementation on health improvement most of the respondents (40%, n=90) stated that it contributed to a moderate extent, 23.6% (n=53) of the respondents stated that it contributed to a great extent, 20% (n=45) of the respondents stated that it contributed to a very great extent, 11.1% (n=25) of the respondents stated that it contributed to a little extent whereas 5.3% (n=12) of the respondents stated that it did not contribute at all.

Regarding the contribution of strategy implementation on responsiveness of care most of the respondents (31.6%, n=71) stated that it contributed to a moderate extent, 29.8% (n=67) of the respondents stated that it contributed to a great extent, 19.5% (n=44) of the respondents stated that it contributed to a very great extent, 15.6% (n=35) of the respondents stated that it contributed to a little extent whereas 3.6% (n=8) of the respondents stated that it made no contribution.

With respect to the contribution of strategy implementation on financial fairness most of the respondents (38.7%, n=87) stated that it contributed to a moderate extent, 20% (n=45) of the respondents stated that it contributed to a great extent, 18.2% (n=41) of the respondents stated that it contributed to a little extent, 18.2% (n=41) of the respondents stated that it contributed to a very great extent whereas 4.9% (n=11) of the respondents stated that it had no contribution.

Table 18: contribution of Strategy implementation on various key Performance Indicators

Performance parameters	Level of contribution									
	not at all		to a little extent		moderate		to a great extent		to a very great extent	
	N	%	N	%	N	%	N	%	N	%
Health Improvement	12	5.3	25	11.1	90	40	53	23.6	45	20
Responsiveness of care	8	3.6	35	15.6	71	31.6	67	29.8	44	19.5
Financial fairness	11	4.9	41	18.2	87	38.7	45	20	41	18.2

4.3.5 Information on Strategic Monitoring and Evaluation

4.3.5.1 Organization that carries out monitoring and evaluation of strategies

Most of the respondents (44%, n=100) agreed that the organization carries out monitoring and evaluation of strategies, 37% (n=83) of the respondents were not sure whereas 19% (n=42) of the respondents disagreed.

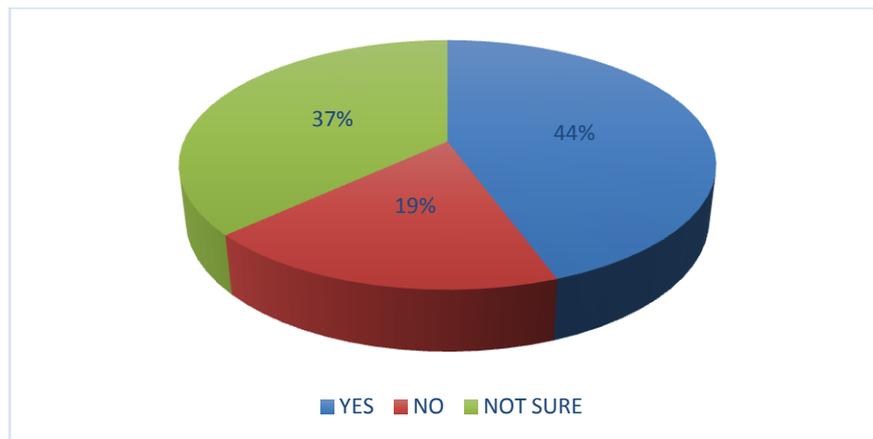


Figure 17: Organization that carries out Monitoring and Evaluation Strategies

4.3.5.2 Mechanisms for Strategic Monitoring and Evaluation

More than half of the respondents (69.3%, n=156) were not aware of any mechanisms that had been employed to monitor and evaluate strategy whereas less than a tenth of the respondents stated the following mechanisms: supervision by MandE committee (9.3%, n=21), quality analysis (4.9%, n=11), performance indicators (4.9%, n=11), monthly meetings (4.9%, n=11), report reviews (3.6%, n=8), record keeping (1.8%, n=4), continuous medical education (1.3%, n=3).

Table 19: Mechanisms in Place to Monitor and Evaluate Strategy

		Frequency	Percent
Valid	Continual medical education	3	1.3
	Supervision by MandE Committee	21	9.3
	Quality analysis	11	4.9
	Report reviews	8	3.6
	Performance indicators	11	4.9
	Record keeping	4	1.8
	Monthly meetings	11	4.9
	Did not know any mechanisms	156	69.3
Total		225	100.0

4.3.5.3 Target Values for Strategic Monitoring and Evaluation

Most of the respondents (60%, n=134) stated that there were no clearly spelt out targets used to monitor strategy whereas 40% (n=91) of the respondents agreed that there were clearly spelt out targets used to monitor strategy.

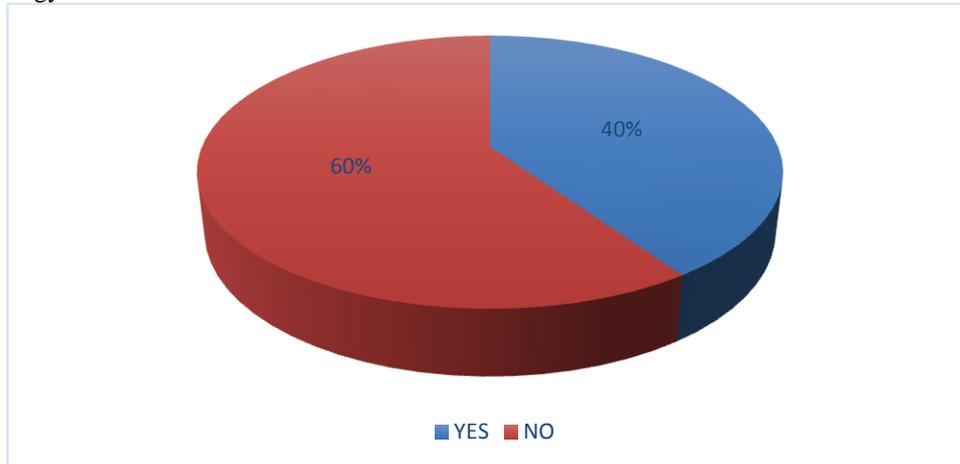


Figure 18: Presence of Clearly Spelt out Targets used to Monitor Strategy

4.3.5.4 Presence of clearly spelt out performance indicators for every strategy

Most of the respondents (48%, n=107) agreed that there were clearly spelt out performance indicators for every strategy, 34% (n=77) of the respondents were not sure whereas 18% (n=41) of the respondents disagreed.

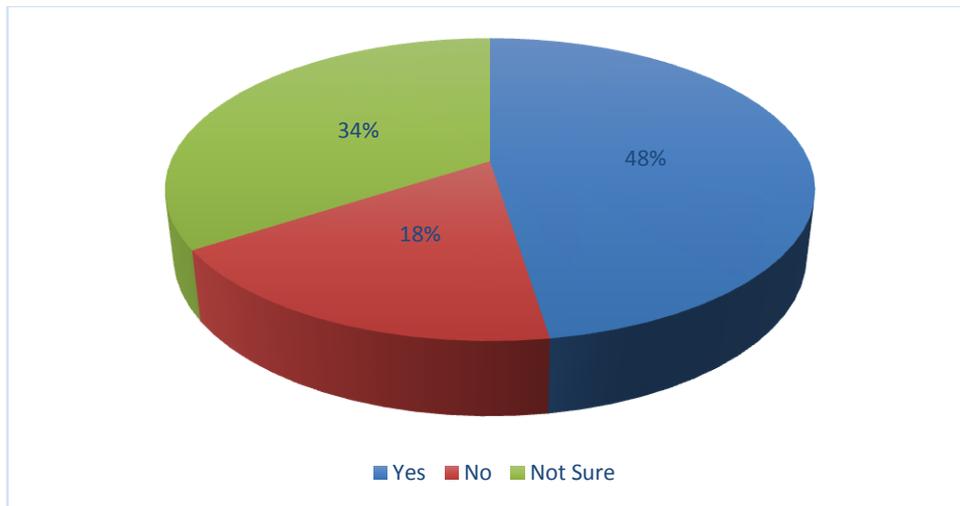


Figure 19: Presence of clearly spelt out Performance Indicators for Every strategy

4.3.5.5 Strategic Adjustments due to Strategic Implementation Feedback

Most of the respondents (42%, n=95) agreed that there were adjustments in strategy due to feedback from the implementation of existing strategies, 36% (n=81) of the respondents were not sure whereas 22% (n=49) of the respondents disagreed.

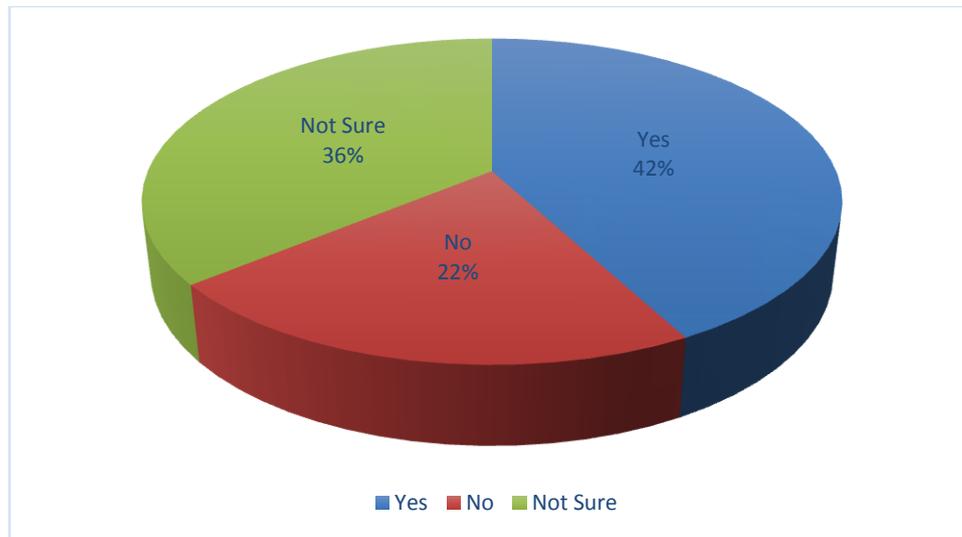


Figure 20: Presence of Adjustments in any Strategy due to Feedback from the Implementation of Existing Strategies

4.3.5.6 Contribution of strategic monitoring and evaluation to certain performance areas

Regarding the contribution of strategic monitoring and evaluation on health improvement most of the respondents (33.3%, n=75) stated that it contributed to a moderate extent, 24.4% (n=55) of the respondents stated that it contributed to a very great extent, 19.1% (n=43) of the respondents stated that it contributed to a great extent, 17.1% (n=16) of the respondents stated that it had no contribution at all whereas 16% (n=36) of the respondents stated that it contributed to a little extent.

Regarding the contribution of strategic monitoring and evaluation on responsiveness of care most of the respondents (36.4%, n=82) stated that it contributed to a moderate extent, 25.3% (n=57) of the respondents stated that it contributed to a great extent, 18.2% (n=42) of the respondents stated that it contributed to a very great extent, 12% (n=27) of the respondents stated that it contributed to a little extent whereas 8% (n=18) of the respondents stated that it had no contribution at all.

Regarding the contribution of strategic monitoring and evaluation on responsiveness of care most of the respondents (31.6%, n=71) stated that it contributed to a moderate extent, 20.4% (n=46) of the respondents stated that it contributed to a great extent, 19.5% (n=44) of the respondents stated that it contributed to a very great extent, 17.3% (n=39) of the respondents stated that it contributed to a little extent whereas 11.1% (n=25) of the respondents stated that it had no contribution at all.

Table 20: Contribution of Strategic Monitoring and Evaluation to Certain Performance Areas

Performance parameters	Level of contribution									
	not at all		to a little extent		moderate		to a great extent		to a very great extent	
	N	%	N	%	N	%	N	%	N	%
Health Improvement	16	17.1	36	16	75	33.3	43	19.1	55	24.4
Responsiveness of care	18	8	27	12	82	36.4	57	25.3	41	18.2
Financial fairness	25	11.1	39	17.3	71	31.6	46	20.4	44	19.5

4.4 Performance of Public Hospitals in Meru County

4.4.1 Responsiveness of Care

4.4.1.1 Responsiveness to Patient Needs

Most of the respondents (87.6%, n=197) agreed that the institution is responsive to patient needs, 7% (n=16) of the respondents were not sure whereas 5% (n=12) of the respondents disagreed.

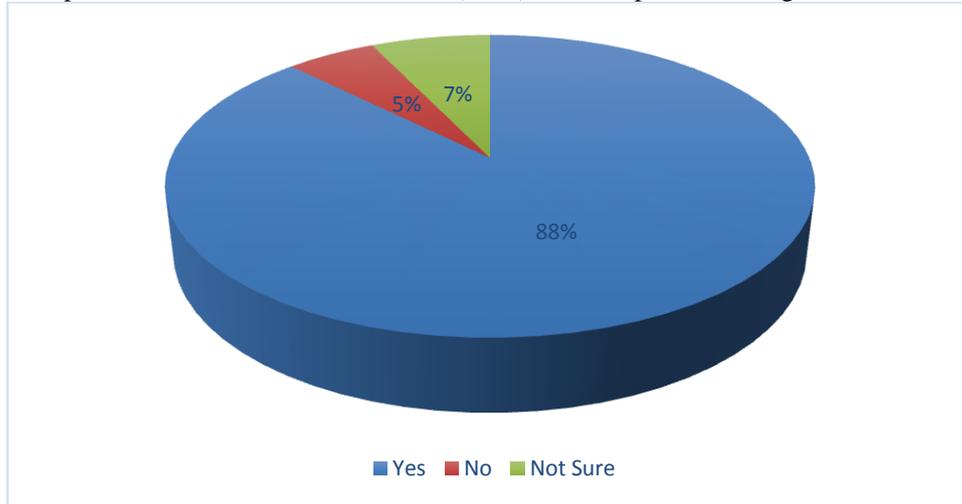


Figure 21: Responsiveness to Patient Needs

4.4.1.2 Acts of responsiveness common to institution

Regarding the acts of responsiveness the most stated act was confidentiality which was noted by 52% (n=131) of the respondents, 52% (n=116) of the respondents cited prompt attention to details, 39% (n=87) of the respondents cited respect for autonomy, 30% (n=67) of the respondents cited dignity, 30% (n=67) of the respondents cited access to support groups, 3% (n=6) of the respondents cited teamwork whereas 2% (n=5) of the respondents cited emergency healthcare.

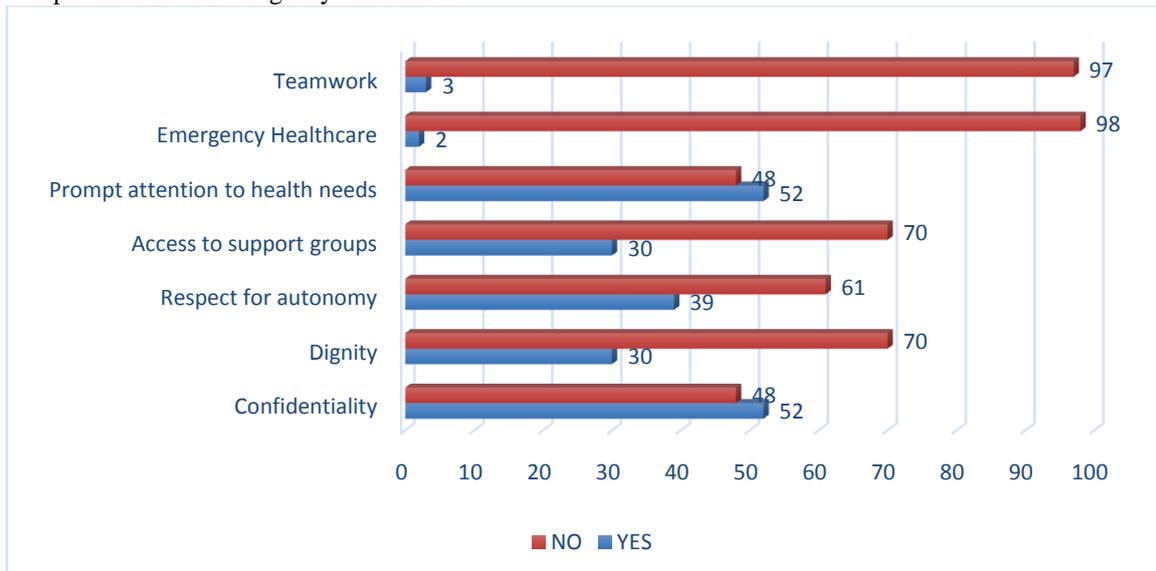


Figure 22: Acts of Responsiveness Common to Institution

4.4.1.3 Responsiveness of care

Most of the respondents rated the responsiveness of care by their health institution most of the respondents (38.2%, n=86) noted that it was to great extent, 32% (n=72) of the respondents stated that it was to a moderate extent, 15.1% (n=34) of the respondents stated that it was to a great extent in the suitable areas, 12%

(n=27) of the respondents stated that it was to a little extent whereas 2.7% (n=6) of the respondents stated that it was not to any extent at all.

Table 21: Responsiveness of Care

		Frequency	Percent
Valid	Not at all	6	2.7
	To a little extent	27	12.0
	Moderate	72	32.0
	To a great extent	86	38.2
	To a very great extent in the appropriate areas	34	15.1
Total		225	100.0

4.4.2 Information on Health Improvement

4.4.2.1 Improvement of healthcare of the patient population by institution

Most of the respondents (85%, n=192) agreed that the institution had improved the healthcare of the general population whereas 15% (n=33) of the respondents disagreed.

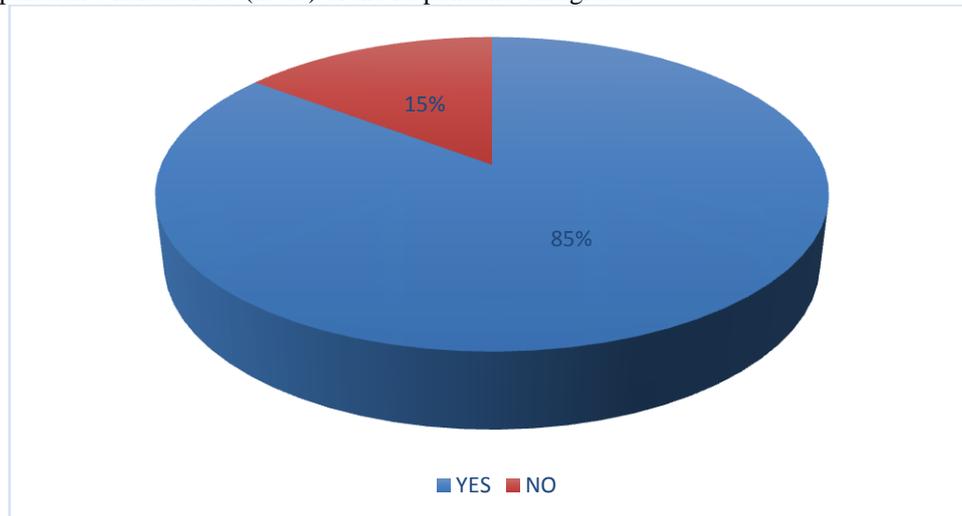


Figure 23: Improvement of Healthcare of the Patient Population by Institution

4.4.2.2 Areas of health improvement that have been impacted the most

Regarding the areas of health improvement that the institution has impacted the most the study findings showed that more than half of the respondents stated that the most impacted areas were new born and maternity health (51%, n=114) and HIV management (54%, n=121). Slightly more than half of the respondents noted the areas in infant mortality (36%, n=81) and chronic diseases (39%, n=88). Less than a tenth of the respondents stated the following areas: TB management (4%, n=10), prevention of mother to child transmission (1%, n=2), access to medication (1%, n=2), cancer care (1%, n=2), renal care (1%, n=2) and surgical emergencies (1%, n=1).

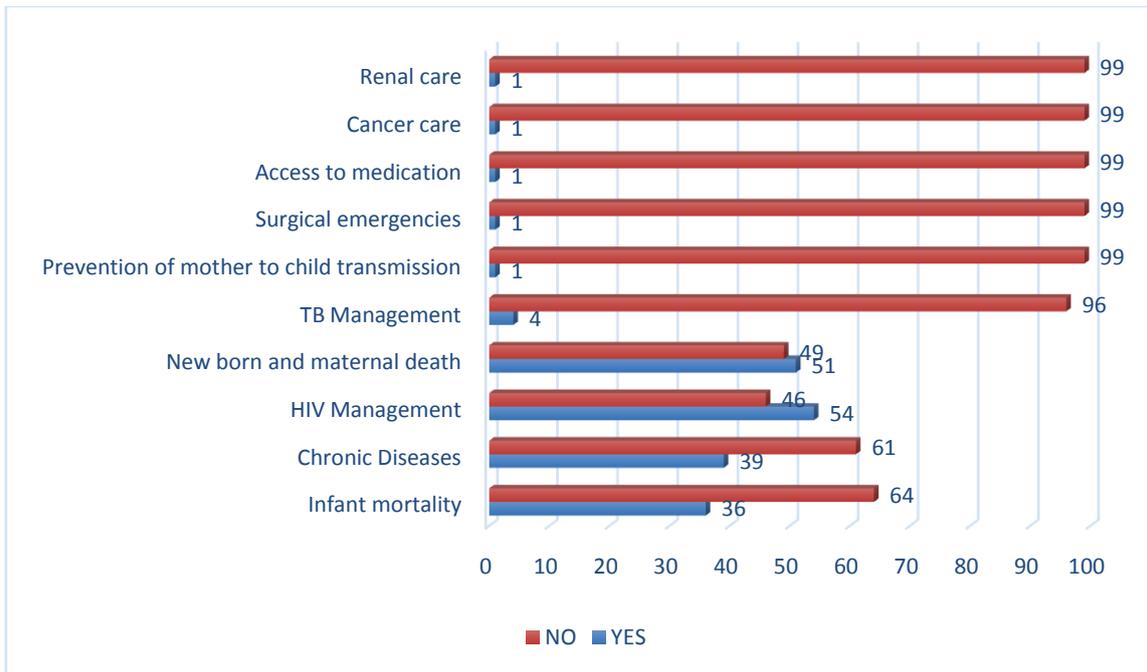


Figure 24: Areas of Health Improvement that have been the most

4.4.2.3 Rating of Health Improvement

Slightly more than a third of the respondents (36.4%, n=82) rated the contribution to health improvement by their institution as to a great extent, 30.2% (n=68) of the respondents stated that it had contributed to a moderate extent, 17.3% (n=39) of the respondents stated that it contributed to a little extent, 8.9% (n=20) of the respondents stated that it contributed to a little extent whereas 7.1% (n=16) of the respondents stated that it did not contribute at all.

Table 22: Rating of Health Improvement in Health Institution

		Frequency	Percent
Valid	Not at all	16	7.1
	To a little extent	20	8.9
	Moderate	68	30.2
	To a great extent	82	36.4
	To a very great extent	39	17.3
Total		225	100.0

4.4.3 Information on Financial Fairness

4.4.3.1 Equal payment for healthcare for the poor

Most of the respondents (63%, n=143) agreed that the poor pay the same amount as the rich to get healthcare whereas 24% (n=53) of the respondents disagreed whereas 13% (n=29) of the respondents were not sure.

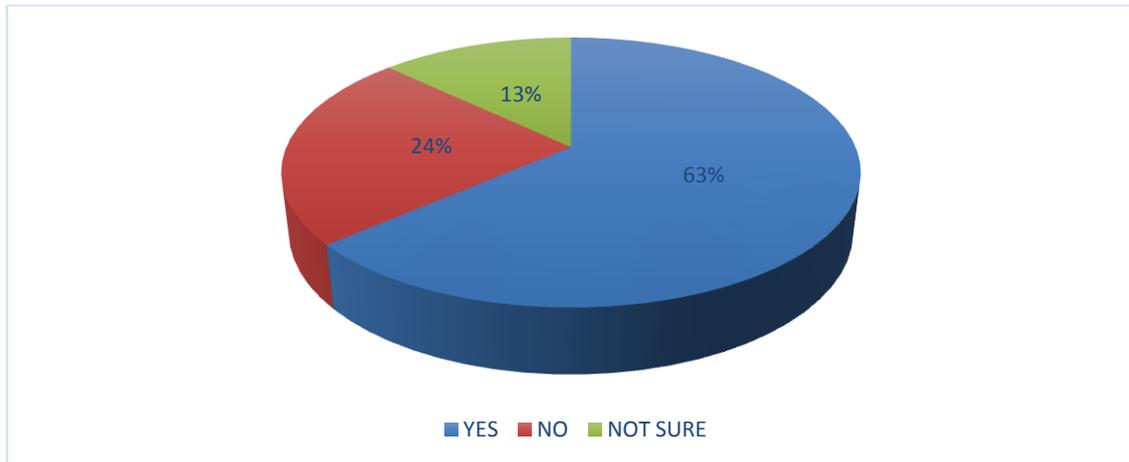


Figure 25: Similar Payment for Healthcare among the Poor

4.4.3.2 Offerings on discounts/incentives to the less fortunate

Most of the respondents (71%, n=159) agreed that they offer incentives or discounts for the less fortunate in their institutions, 18% (n=40) of the respondents disagreed whereas 11% (n=26) of the respondents were not sure.

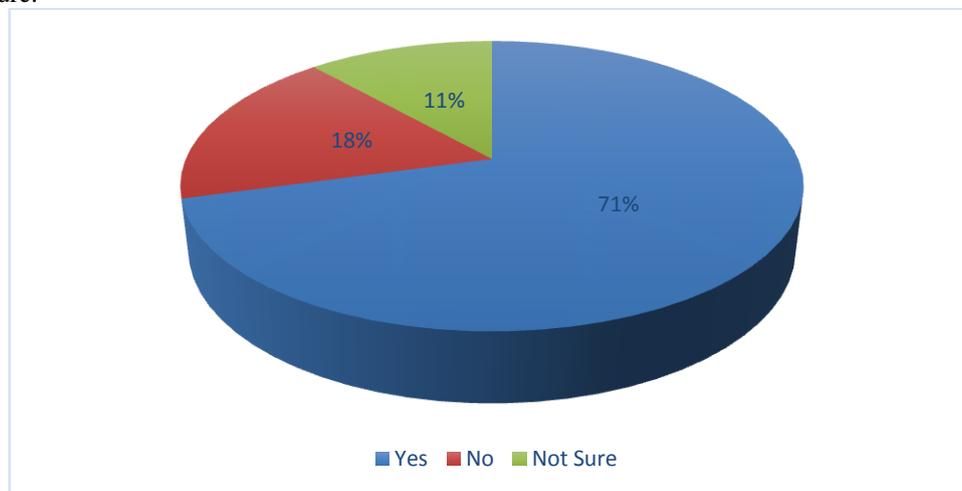


Figure 26: Offerings on Discounts/Incentives to the Less Fortunate

4.4.3.3 Impoverishment of Patients due to Healthcare Financing

Most of the respondents (66%, n=148) agreed that the patients were being impoverished in the process of financing for their medical care whereas 34% (n=77) of the respondents disagreed.

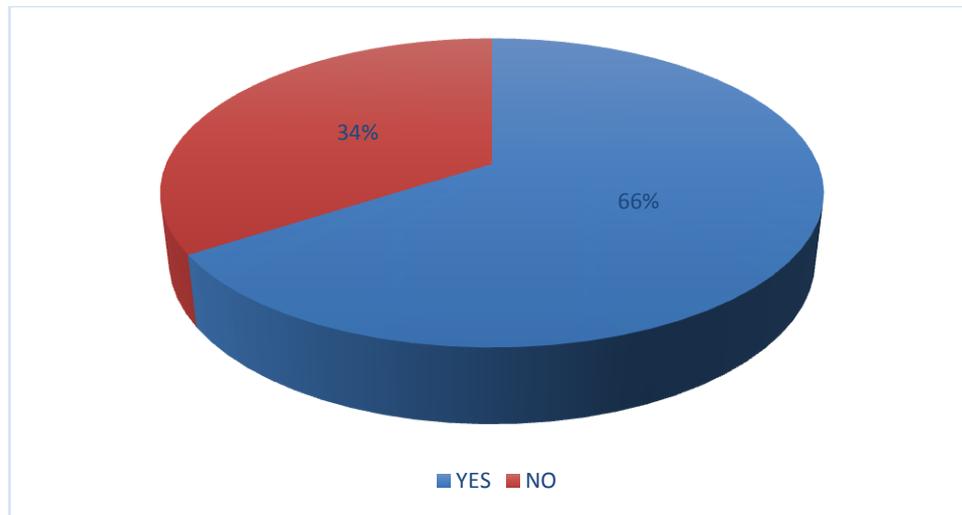


Figure 27: Impoverishment of Patients due to Financing of their Healthcare

4.4.3.4 Rating of Financial Fairness

Most of the respondents (44%, n=99) stated that financial fairness had a moderate contribution to the performance of the health institution, 17.3% (n=39) of the respondents stated that it contributed to a little extent, 17.3% (n=39) of the respondents stated that it contributed to a little extent, 16.4% (n=37) of the respondents stated that it contributed to a great extent, 14.7% (n=33) of the respondents stated that it contributed to a very great extent whereas 7.6% (n=17) of the respondents stated that it had no contribution at all.

Table 23: Rating of Financial Fairness in the Health Institution

		Frequency	Percent
Valid	Not at all	17	7.6
	To a little extent	39	17.3
	Moderate	99	44.0
	To a great extent	37	16.4
	To a very great extent	33	14.7
Total		225	100.0

4.5 Reliability of Research Instruments

A split half technique was done to investigate the reliability of the questions used to test the strategic planning elements and the performance of the health institutions.

Table 24: Reliability Statistics

Cronbach's Alpha	Part 1	Value	.790
		N of Items	14 ^a
	Part 2	Value	.971
		N of Items	13 ^b
	Total N of Items		27
Correlation Between Forms			.926
Spearman-Brown Coefficient	Equal Length		.961
	Unequal Length		.962
Guttman Split-Half Coefficient			.913

a. The items are: Mission and Vision, Mission and vision clearly articulated, Alignment of vision and mission to core values, health improvement, responsiveness of care, financial fairness, Environmental analysis, Privy to Info, health improvement, responsiveness of care, financial fairness, Strategy Formulation, Setup goals and objectives, health improvement.

b. The items are: health improvement, responsiveness of care, financial fairness, Strategy Implementation, Involvement of employees, health improvement, responsiveness of care, financial fairness, Monitoring and evaluation, Performance Indicators, health improvement, responsiveness of care, financial fairness, Performance of Health Institution.

The Spearman-brown coefficient value is 0.926 which is above 0.8. This shows that the questions were reliable enough in testing the strategic planning elements and the performance of the health institution.

4.6 Relationship between Strategic Planning elements and the Performance of Health Institutions

A linear regression model was conducted to determine the relationship between the strategic planning elements and the performance of health institutions.

Table 25: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924 ^a	.854	.850	.13725

a. Predictors: (Constant), Monitoring and evaluation, Mission and Vision, Strategy Implementation, Environmental analysis, Strategy Formulation

The degree of variation in the dependent variable (performance of health institutions) due to variation in the independent variables (monitoring and evaluation, mission and vision, strategy implementation, environmental analysis, strategy formulation) can be explained by coefficient of determination.

The five independent variables studied, explain only 85.4% of the performance of hospitals as denoted by the R². It therefore means that other variables not covered in this study scope accounts for 14.6% of the performance of the hospitals.

Therefore, more research should be done to ascertain the other challenge (14.6%) that influence the performance of hospitals in Meru County.

Table 26: ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.035	5	4.807	255.181	.000 ^b
	Residual	4.125	219	.019		
	Total	28.160	224			

a. Dependent Variable: Performance of Health Institution

b. Predictors: (Constant), Monitoring and evaluation, Mission and Vision, Strategy Implementation, Environmental analysis, Strategy Formulation

The model is statistically significant as it has a significant value of .000, which is less than 0.05. The F critical at 5% level of significance was 3.23. Therefore, F calculated is greater than F critical hence the overall model was significant.

Table 27: Coefficients of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.467	.030		15.442	.000
	Mission and Vision	.384	.025	.592	15.445	.000
	Environmental analysis	-.132	.056	-.345	-2.367	.019

Strategy Formulation	-.119	.061	-.313	-1.958	.051
Strategy Implementation	.245	.020	.481	12.146	.000
Monitoring and evaluation	.174	.039	.442	4.429	.000

a. Dependent Variable: Performance of Health Institution

As per the SPSS generated table 4.27, the multiple linear regression equation,

$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$ becomes:

$$Y = 0.467 + 0.384X_1 - 0.132X_2 - 0.119X_3 + 0.245X_4 + 0.174X_5$$

Where Y represents the dependent variable (Performance of health institution), X_1 is the mission and vision, X_2 is environmental analysis, X_3 is strategy formulation, X_4 is strategy implementation whereas X_5 is monitoring and evaluation.

Going by the regression equation above, taking all the variables in to account (monitoring and evaluation, mission and vision, strategy implementation, environmental analysis, strategy formulation) constant zero, performance of the hospital will be 0.467. From the analysis, taking all the independent variables to be zero, a unit increase in mission and vision will lead to 0.384 increase in performance of the hospital, a unit increase in environmental analysis will lead to a 0.132 decrease in performance of the hospital, a unit increase in strategy formulation will lead to 0.119 decrease in performance of the hospital, a unit increase in strategy implementation will result to a 0.245 increase in performance of the hospital and a unit increase in monitoring and evaluation will result to a 0.174 increase in performance of the hospital.

4.7 Discussion

This section briefly reflects on the results of the study and connects the findings to other studies on strategic planning and organizational performance. It focuses on the major findings on the link between the different elements of strategic planning and performance of public hospitals in Meru County.

There are several standout findings from the conducted study. First, public hospitals in Meru County largely applied the strategic planning process in its entirety. There was evidence of mission and vision statements, core values, activities and purpose. Most of the respondents were acquainted to these strategic planning processes, and positively related them to the performance of their healthcare institutions. The same was reported for business environmental analysis, strategic formulation and strategy implementation. However, strategic monitoring and evaluation was sparingly applied, with more than half of the respondents (69%) highlighting their unawareness of any monitoring and evaluation mechanisms in the institution. A majority also reported that there were no target values associated with strategy (60%), with performance indicators the most reported monitoring mechanism in use (48%). Therefore, all strategic planning elements except monitoring and evaluation were practiced in totality. Apart from the above, another significant pattern was on the contribution of the various elements of strategic planning to various performance areas (health improvement, financial fairness and responsiveness). In this respect, most respondents rated the contribution of the various elements of strategic planning as moderate. The only exception was the mission and vision where a majority 36% highlighted that the core values, purpose and activities of the institution contributed to responsiveness of care to a great extent. On the various indicators of performance, it also emerged that financial fairness had the least performance. This followed the reporting by a majority 63% that the poor paid the same amount as the rich to access healthcare. Additionally, 66% reported that people were being impoverished in the process of seeking healthcare. More importantly, the regression analysis indicated that all the strategic planning elements had a statistically significant effect on performance of Meru County hospitals. All the strategic planning components save for strategic implementation and business environmental analysis had a positive effect on performance, with the negative relationship in the two cited elements attributed to inadequate employee involvement.

The above results agree with popular theories of strategic planning. As Mintzberg (1987) presented strategic planning as a plan, ploy, pattern and perspective, the above results have reiterated the same under the findings on the various elements of strategic planning. For instance, public hospitals in Meru County reported various kinds of strategies including directional strategies which are in essence plans. There were also mission and vision statements that were clearly articulated, explaining the “perspective” of the organization towards employee behavior, their business activities and so forth. In summary, the nature of strategy as envisioned by Mintzberg (1987) was vindicated in the findings. Elsewhere, it was apparent that hospitals needed strategies as those suggested by Porter (1985) in order to remain competitive. This informed the strategic shifts reported

following feedback from the strategic implementation process. Additionally, some strategies reported in the study were related to cost as predicted in Porter's generic strategies. In general, 8.9% of the sample reported competitive strategies adopted by their organizations.

The findings were also in line with the predictions made by earlier studies. The most important finding of the study was the relationship between strategic planning elements and the performance of the organization. The findings indicated that there was a significant relationship between each of the components of strategic planning and the performance of public hospitals in Meru County. This agreed with the findings of Kumar (2015) and Wendy (1997) who confirmed the same hypothesis. Such studies however determined such a relationship as positive, implying that an increase in any of the strategic planning practices would improve performance. This was not embodied in the entire findings with strategic implementation and business environmental analysis showing negative relationships with performance. The reason for this could be traced in how these strategic planning processes were structured. There was particularly a huge gap in employee involvement, where 67% were not aware of any employees involved in strategic implementation and around 45% did not know what methods were used in analysis in the institution. This suggests that there was inadequate employee involvement to the extent that carrying on such processes in their current shape would not result in any positive impacts on performance. This leads back to the resource based theory of the firm which outlines the essence of internal resources like human capital in strategy (Wernerfelt, 1984). There was need to restructure these strategic planning processes and increase employee involvement for them to have positive effects on performance. The fact that there would be increased performance with an increase in strategic monitoring and evaluation also highlighted the need to fill in gaps (e.g. lack of target values) in the present process. Gimbert, Bisbeand Mendoza (2010) suggested that this would improve performance with frequent re-formulations of strategy.

Also important was the fact that the strategic planning factors could only explain around 85% of the performance of public hospitals in Meru County. There were many other factors outside strategic planning that could affect performance of public hospitals in Meru County. This was in line with Porter (1985) who indicated the importance of efficiency, which was unrelated to strategy, in improving performance. Doing the same activities as the competition but with higher levels of efficiency could thus be another factor improving performance. From the findings, it was also apparent that public hospitals in Meru County had fairly integrated strategic planning. The fact that there were still many challenges facing them was evidence that indeed there were other non-strategy related factors that needed to be investigated. Such may include government policy and other actions from the national context of health planning that the hospitals had no control over. Such factors may be responsible for the poor attainment of the performance parameter, financial fairness.

Summary, Conclusions and Recommendations

5.1 Introduction

This section summarizes the findings of the study, presents the conclusions and gives recommendations for policy and practice

5.2 Summary

The objective of the study was to determine the relationship between strategic planning and the performance of public hospitals in Meru County under the devolved healthcare system. Specifically, the study sought to establish the relationship between each of the components of strategic planning (mission and vision, business environmental analysis, strategy formulation, strategy implementation and strategic monitoring and evaluation) with performance. The latter was given in terms of the three parameters of the WHO framework for assessing health systems, encompassing health improvement, responsiveness and financial fairness. The main finding of the study was that all the strategic planning components (mission and vision, business environmental analysis, strategy formulation, strategy implementation and strategic monitoring and evaluation) had a relationship with performance of public hospitals in Meru County. In addition, all the strategic planning components save for strategic implementation and business environmental analysis had a positive effect on performance, with the negative relationship in the two cited elements attributed to inadequate employee involvement. In addition, the contribution of the various components of strategic planning to the different areas of performance (health improvement, responsiveness and financial fairness) was rated as moderate except for the mission and vision. Other significant findings included that strategic monitoring and evaluation was not fully

practiced, with hospitals lacking target values for their strategy and a large number of respondents (69%) stating that they were unaware of monitoring and evaluation mechanisms used by their institutions. The least achieved parameter of performance of public hospitals was financial fairness where 63% of the respondents reported the poor bearing the same cost of healthcare as the rich, and 66% adding that seeking healthcare services led to impoverishment. Finally, upon regression, it was apparent that strategic planning was only responsible of about 85% of the performance of Meru County hospitals, with several other factors also influential.

5.3 Conclusions

It is apparent that strategic planning was actively practiced by public hospitals in Meru County and had significant effects on performance. Apart from strategic monitoring and evaluation, the strategic planning process was comprehensively practiced and showed significant effects on performance. All the components of strategic planning (mission and vision, business environmental analysis, strategy formulation, strategy implementation and strategic monitoring and evaluation) were important in determining performance and needed to be sustained and in some cases improved. This is because the performance of the hospitals depended on how well they implemented the strategic planning process. For instance, lack of adequate employee involvement in strategic implementation and business environmental analysis had led to a negative relationship with performance. In general, strategic planning was in place in Meru County hospitals and impacted on their performance.

It can also be concluded that the performance of Meru County hospitals was unimpressive with respect to financial fairness. In the WHO framework for assessing health systems, financial fairness requires that the poor pay less for healthcare than the rich, and in addition, individuals do not become impoverished in the process of seeking healthcare. However, both parameters were missed, despite there being reports that the hospital offered some discounts and incentives to the poor. There was impoverishment due to seeking of health services as well as the poor paying equally for healthcare as the rich.

Elsewhere, there was still room for improvement with respect to the contribution of the various facets of strategic planning to the different metrics of performance (health improvement, responsiveness and financial fairness). This was after the contributions of all the strategic planning components save for the mission and vision to performance were consistently rated as moderate. The factors were capable of being impactful to a great extent as the purpose, core values and business activities had been.

More importantly, the performance of Meru County hospitals could not be entirely explained through strategic planning. There were other factors that needed to be unraveled that were responsible for the observed performance levels. This was understandable given that healthcare was not entirely devolved with non-strategic planning factors from the national context of health planning likely to play a significant role. Additionally, it was clear that despite implementing the strategic planning process to significant extents (only strategic monitoring and evaluation had implementation gaps), public hospitals in Meru county still had problems with human resource, corruption and so forth which could be attributed to the factors outside strategic planning.

5.4 Recommendations

It is recommended that the strategic planning process within public hospitals in Meru County attains full implementation. The strategic planning process was presently implemented fully save for in strategic monitoring and evaluation. This was equally an important factor of the process and had a positive effect on performance. Therefore, there was need to fully implement monitoring and evaluation, particularly by addressing the gaps that had been unearthed in the study. These included the lack of target values associated with strategy and the failure to involve employees adequately. The hospitals should further integrate employee involvement in every strategic planning process and not just monitoring and evaluation given that its absence had led to negative impacts of strategic implementation and business environmental analysis on performance.

The hospitals should also improve on every strategic planning component in their practice. Though the majority of the processes were in place, they had not been implemented to their full potential. Apart from the mission and vision, the rest of the strategic planning components only had moderate effects on performance. There was need to improve such processes to ensure that they influenced performance to a great extent. Additionally, business environmental analysis and strategic implementation currently had negative effects on performance. They needed to be re-examined and structured in a way that boosts performance. Employee

involvement and other mediatory factors should be integrated to ensure that all the strategic planning components had positive effects on performance.

The institutions should also deliberate on strategies to improve on financial fairness. It was apparent that it was the least attained area of performance, with individuals impoverished by the process of seeking healthcare and the poor still paying the same for healthcare as the rich.

5.5 Limitations of the Study

The study has various conceptual and contextual limitations. First, the focus of the study was on strategic planning and performance of devolved healthcare. This implies that the findings are not generalizable on the wider scope of strategic management, or the entire healthcare system. Only concepts of strategic planning were applied to the study and as such qualify for generalization. For instance, concepts like strategic thinking, organization behavior and so forth that are encompassed in the wider strategic management realm were not a subject of the study. In the same way, the findings of this study only apply to devolved healthcare, which is the new framework ushered in by the new constitution in 2010. They do not augment with the previous centralized system of healthcare or private healthcare in the country.

Elsewhere, it is important to appreciate the limits imposed by the performance metrics used in this study. While organizational performance has been assessed in terms of financial base, assets, capitation and so forth, the study used the WHO framework for assessing health systems that focuses on health improvement, responsiveness and financial fairness. These are quite unique performance metrics which confine the findings of this study to healthcare and in particular situations where a similar framework has been applied. Where financial performance, reputation and other performance measures have been used whether in public and private healthcare or other contexts, this study's findings will not apply. This is an important conceptual limitation that should be taken into account when interpreting or applying the findings of the study.

Finally, methodologically, the study sample featured only level five and level four hospitals in Meru County. Primary care facilities were not included and as such the results can only be generalized on hospitals of the same level in devolved healthcare contexts.

5.6 Suggestions for Future Studies

Further research should focus on the non-strategic factors affecting the performance of public hospitals in Meru County. These factors contributed to around 14% of the performance according to the present study and could have the rest of the solutions for improving devolved healthcare. They may include the national government policy that is rolled out by the ministry of health that the counties have no control over, political goodwill, culture and so forth. It is apparent that there is more to it than strategy if the devolved healthcare system is to realize its full potential and bring forth services that match the initial expectations of various stakeholders on it.

There is also need to also holistically investigate strategic management in the devolved healthcare context beyond the focus on strategic planning. There are several strategic management concepts and practices that can be harnessed to improve performance such as Total Quality Management (TQM), strategic human resource management and strategic thinking among others that can transform devolved healthcare. Future studies can look at their suitability and possible application for better performance.

Elsewhere, there is also need to investigate the link between strategic planning and other aspects of performance in devolved healthcare such as financial performance. Hospitals should also be run sustainably and definitely require financial stability and growth. Therefore, it would be useful to determine how strategic planning relates to financial performance of hospitals in the devolved healthcare context.

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