STRATEGIC PLANNING DETERMINANTS AND ORGANIZATION PERFORMANCE IN HEALTH SECTOR; A SURVEY OF PUBLIC HOSPITALS IN KITUI COUNTY

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ABSTRACT

In health sector, there are a lot of patients who overwhelm the medical fraternity. Cases of mishandling of patients, delay in attendance, are factors that need to be addressed. In healthcare, it is natural for patient’s viewpoint to be considered as an appropriate measure of organizational performance, and the performance of organizations in high service contact like healthcare depend to a large extent on patient satisfaction. Purpose of this research will be to examine strategic planning determinants and organization performance in public health hospitals in Kitui County. Specific objectives of the study were resource allocation, organizational leadership, organization structure and institutional policies on organization performance in public health hospitals in Kitui County. The research was supported by Path goal theory, resource-based view theory and performance theory. Managers of health sector will benefit from this research for they will understand the connection amongst strategic planning and organization performance and thus embark on strategic planning. Policymakers and health practitioners will also find the information useful in developing policies and procedures that guide this health process. The research design to be embraced for this study was a descriptive explanatory research design since it permits the researcher to explore the phenomena while not allowing for manipulation of specific objectives. Stratified random sampling technique was used to choose the sample. The study proportionately targeted population of 310 staffs who are in different health committees namely; Health Management Committee, Catering Committee, Cost Sharing Committee, Waiving Committee and Anti-Corruption Committee. A questionnaire was used to collect primary data. The questionnaire in this study comprised of two sections. The first part was about the demographic while second part emphasized on the variables. The study used the most common internal consistency measure known as Cronbach’s alpha (α). The study used qualitative and quantitative techniques in analyzing the data by use of Statistical Package for Social Science (SPSS) software, descriptive and inferential statistics. Multiple regression was applied and the data was presented in form of tables, means and percentages. The findings indicated that resource allocation had the highest influence on Performance of public health
hospitals in Kitui County followed by Organization leadership, Organization structure then Institutional policies had the least influence on Performance of public health hospitals in Kitui County. All the variables were significant as their P-values were less than 0.05. Based on the research findings the study concludes that organizational leadership had a great influence on performance of public health hospitals in Kitui County. Leadership was one of the important factor for improving public health hospital performance. The study further recommends that all the officers in charge of the Management of public health facilities should be trained by the government on the institutional policies which favour successful organization performance in public health hospitals. This is because the institutional policies influences organization performance in public health hospitals.

Keywords: Strategic Planning, Determinants, Organization Performance, Health Sector.

1.0 Introduction

Globally, health sector has been developing gradually since 1990. This transformation has brought about new findings in form of advanced infrastructure, diagnosis methods, and high trained professionals in health sector besides an increase in complicated diseases. These changes has forced health facilities to invest highly in formulating new strategies for their survival. Currently, managers of any institution spends significant resources for formulating strategies in order to achieve the organizational objectives. In Ghana, service delivery in health sector is a tasking activity which ensures patients gets the best services from the public hospitals (Roger, Gordon & Kwame, 2011). However, the poor state of customer service in some public health facilities in Kenya has brought about increased turnover and lack of motivation amongst staff, resulting to unattended wards even outpatient areas, hence causing patients to seek medication oversees and others goes ahead to talk negatively against the facility which reduces the hospital performance (Gill, Harsimran Singh & Neha, 2011).

Strategic planning is the practice of identifying an institution outward and interior surroundings, determining on a vision and mission, developing objectives, generating in addition to choosing over-all approaches to be followed, and assigning possessions to attain the establishment’s objectives (Hellriegel, Jackson & Slocum, 2015). Strategic planning purpose is to support an institution actions within its surroundings, thereby helping for its ongoing existence and proficiency. It calls for an institution to control both interior and exterior surroundings continually for modifications that might need changing current strategic and tactical policies or coming up with unrelated ones all together.

Health service in Kenya is complemented by privately owned and functioned hospitals and clinics and church institutions, hospitals and clinics, which has between 30 and 40 percent of the hospital inpatient, (GoK, 2010). Reliant on their proportional benefit, Non-Governmental Organizations, church based institutions and Community-Based Organizations (CBOs) embark on precise health services (Argote & Ingram, 2010). Many have echoed this worry, for example, ministers of health during the 52nd session of the WHO Regional Committee for Africa (WHO 2010) and other organizations and policy-and decision-makers at the high-level forum on the millennium development goals (High-Level Forum 2009:1, World Bank 2010). It was specified that inadequate health workers and low level of performance, is
one main challenge in attaining the millennium development goals (MDGs) for decreasing poverty and diseases.

Kitui County highlighted off a team of 35 medical staff to numerous hospitals in the county at the Kitui Level 4 Hospital grounds earlier 2019. The group encompassing 27 doctors and 8 pharmacists have been positioned instantly and are a boost to the health industry that had an allocation of 60 nurses. The County Government of Kitui has arrived into a mutual partnership with the Kenya Red Cross Society (KRCS) for the unveiling of the Ndengu Revolution food security programme that targets about 200,000 small holder farmers in Kitui County. The programme similarly pursues to advance food security and living of Kitui residents, decrease poverty over rural progress and coach small-scale agriculturalists along delivery of financial facilities to the agriculturalists (Mutui, 2016).

1.2 Statement of the Problem

In Kitui County, like most of other Counties in Kenya, untimely deaths and avertable diseases still inflict a high toll in its people. Preventable diseases like tuberculosis ranging from 18% to 30% in the various sub-counties in the year, 2015 (WHO, 2010). Insufficiency of right of access to basic health care services is touching diverse sections, areas, communities, and societal clusters in the country. High percentage of public hospitals in the contemporary past have observed employee dissatisfaction presented in terms of rejection of offering services owed to absence of strategic planning, employees are not paid their levies. Poor working conditions, insufficient infrastructure and management not willing to engage with both employees and patients has also been a big challenge (Mwenda, 2012).

In Kenya, health indicators are much below average, compared to other counties. In addition, there are only sixty-five public health facilities out of a total 4,929 in the country and twenty-one private facilities out of a total 3,794 in the country (Ministry of Health, 2016). Further, only 18 percent of births are delivered at a health facility against the national average of 61.2 percent and an average of 23.9 percent of persons experience stunted growth against the national average of 2.6 percent (Ministry of Health, 2016).

In Kitui County, a lot of patients overwhelm the medical fraternity. Cases of mishandling of patients, delay in attendance (even accident victims) to cases of misdiagnosis are factors that need to be addressed. After consultation, patients hardly get the medicine but are advised to buy from local chemists. Patients share beds in wards and there is poor sanitation, increased time lags, coupled with delay in submission of laboratory and imaging results. This leads to compromised provision of quality health services in the facility (Mutui, 2016).

Several studies have been carried on performance and strategic planning without a clear link to health sector. There is no single study which has been undertaken on strategic planning determinants and organization performance in health sector. The proposed study has been motivated by the need to fill this knowledge gap.
1.3 Objective of the Study

1.3.1 General Objective
The main purpose of this study was to investigate strategic planning determinants and organization performance in public health hospitals in Kitui County.

1.3.2 Specific Objectives:
   i. To determine the influence of resource allocation on organization performance in public health hospitals in Kitui County
   ii. To establish the influence of leadership on organization performance in public health hospitals in Kitui County
   iii. To explore the effect of organization structure on organization performance in public health hospitals in Kitui County
   iv. To establish the effect of Institutional policies on organization performance in public health hospitals in Kitui County

2.0 Theoretical Framework

Theoretical framework is where the researcher explains different existing theories with their characterizations supporting the study, references and it’s a concept-testing sort of study. It is a basis for the limitations, or restrictions of a study. A theoretical framework configures the units of the study that should be undertaken. The study was supported by the following theories:

2.2.1 Path Goal Theory
Path-Goal theory is a leadership theory that was established by Robert and Mitchell 1970s. The Path-Goal model is a concept grounded on stipulating a leader's style or conduct which is appropriate to a worker and working surroundings for him to achieve a goal (Scott, 1995). The objective is to rise workers' inspiration, empowerment, and completion so they develop industrious members of the company.

This theory is applicable to the research since it is a significant constituent in management and shows an important role in leadership of institution. After all, leaders in Kitui county public hospitals can inspire their workers to attain their objectives by satisfying the workers. Moreover, they must simplify which path to select to work towards the objective and deliver emphasis for their workers by training them and keeping them on the correct track. This will only rise work satisfaction. According to the Path-Goal Theory, management must emphasis on several types of management behaviour. This may vary per condition and worker, as long as they deliver emphasis and provision. This permits management to work on the department’s goals, but also unite these with the organization’s objectives.

2.2.2 Resource-based View Theory
This theory refers to the argument that all organizations are a gathering of single competences and properties. The exclusiveness of any organization abilities and resources is the basis of an establishment’s plan and capability to acquire beyond usual revenues. Resources refers to inputs into an organization production procedure (Hitt, 2013). The theory is relevant to the research since it recognizes economic possessions that are probable to be significant in making it likely for accomplishment of organizational performance. Resource-based theory forecasts resources
are significant to the health sector in Kitui and its performance (Pfeffer & Salancik, 2003). It additionally particulars the evidence that the financial possessions effects will be utmost key factors of the strategic planning process than the industry effects by associating consequences across multiple points of analysis.

The implication of the resource-based view (RBV) in this juncture, management play a crucial role as they get to define the problem not the symptom of a problem. A complete analysis of the situation of the problem is done and most importantly identifies those affected by the problem. The problem situation should be explained in as much detail as possible in order to show the current state of affairs. A problem is indeed the source of a policy. According to Cocks (2010) they may be categorized as physical, financial or intangible (number of years the workers have been working, abilities, knowledge and, reputation, institutional processes).

2.2.3 Theory of Performance
This theory was established by Locke, E. A., & Latham, G. P. (1990). Organizations or individuals perform better when they set difficult goals as per this theory while on the other hand setting easy goals, the individuals’ or organizations performance decreases. There are five elementary philosophies that lets objective setting for improved. These comprise: clearness, difficulties, guarantee, response, and assignment difficulty. Selecting a measurement of performance as a foundation for remuneration, recruitment, or growth decisions infers that it is significant for an organization since it affects its present and performance.

Andersen (2006) conditions that the idea of efficiency is a ratio, suggesting that two units are obligatory while outlining as well as gauging efficiency. The theory is important to the study as employees are able to work towards achieving the organizational goals hence likely important in making it possible for attainment of organizational performance. The management of an organization will ensure that that the set goals are achievable by the employees.

2.3 Empirical Literature Review
Donna, and Wanjira, (2018), studied influence of organizational resources and organizational performance amongst institutions of higher knowledge in Kiambu County. Primary information was collected through semi-structured questionnaires over drop and pick method of management. Content validity was appraised through the opinion of scholars and specialists in resource management. The results recognized the being of an important effect of strategic resource distribution, monitoring and control of strategies and strategic message on the performance. The outcomes established that organizational performance was importantly influenced by monitoring, control of strategies resource allocation and strategy communication. This study though did not focus on other non-financial elements that impact performance of IHLs.

Mostashari (2009), did a study in examining effect of organizational leadership on organizational performance. After data analysis was done, a positive and strong correlation between transformational leadership characteristics was established, faultless impact characteristics, inspiring enthusiasm, and distinct thought with results of fulfilment, further exertion, and efficiency. Hence, there is a great influence of performance due to leadership style adopted by an institution. This enables the institution to maximize on its achievements.
Awino, (2015), researched on organizational structure and performance of big industrial companies in Kenya. A cross-sectional survey was done through collection of data from 102 large manufacturing firms. Discoveries research concurred with preceding research which gave a way forward for further research. It has suggested that for performance of any particular organization, financial measures should not be considered alone but also non-financial indicators for better performance or maximizing on organizations rewards.

Ibua (2014), established the influence of institutional factors and organizational performance of public universities in Kenya. Random stratified sampling was used in the study. The study found that the mutual outcome of worker enablement, job-related approaches and formal factors on performance was better than the personal effects of each objectives.

3.0 Research Methodology

3.1 Research Design

Descriptive research design was adopted in this study. This research design was preferred because This study used descriptive explanatory research design since it permits the researcher to explore the phenomena while not allowing for manipulation of specific objectives as Kombo & Tromp (2006). Data from public health hospitals in Kitui County was quantified and analyzed. This study used measureable and qualitative data which was gathered and examined to give the precise occurrence in its current trends, and events.

3.2 Sample Size and Sampling Techniques

A sample comprises some members selected from the population. According to Kothari (2014), at least 50% and above of the total population is adequate sample size for descriptive studies. The selected sample size was a representative of the committee members of public health facilities in Kitui County. Sample scope was collected by use of Stratified random sampling technique. According to Bryman and Bell (2003), Stratification is made for decreasing standard error as it provides some control over variance. Population was categorized into five classes namely Health Management Committee, Catering Committee, Cost Sharing Committee, Waiving Committee and Anti-Corruption Committee. From each category a percentage of 50% of every committee was picked. Simple random sampling was used to select 155 respondents.

3.3 Data Collection Procedure

Consent to obtain data from the management was obtained, which was as a result of getting consent from the university to conduct the research. The researcher provided a transmittal note in every respondents. Visiting of various policy makers in search for permission to gather data shall be done by the researcher. The researcher was assisted by three research assistants. The privacy revealed information shall be guaranteed and the need to elucidate the questions from any participant related to the filling in of the questionnaire.
3.4 Data Analysis

The researcher used both quantitative and qualitative methods in analyzing the data. Statistical Package for Social Science (SPSS) software, descriptive and inferential statistics was also used. Multiple regression was used to test the effect of independent variables on organizational performance of public health facilities in Kitui County. The regression model was illustrated below;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

\( Y \) = Organization Performance  
\( \beta_0 \) = Constant 
\( X_1 \) = Resource Allocation 
\( X_2 \) = Organizational Leadership 
\( X_3 \) = Organizational Structure 
\( X_4 \) = Institutional Policy  
\( \beta_1 - \beta_4 \) are the regression co-efficient 
\( \varepsilon \) -is error term

ANOVA test was done to decide the level of significance of the variance by the use of a one-Way ANOVA to get the existence of significant deviations amongst the variables.

4.0 Results and Discussion

4.1 Regression Analysis

Table 4.1: Regression Analysis Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.463(^a)</td>
<td>0.829</td>
<td>0.887</td>
<td>1.781</td>
</tr>
</tbody>
</table>

\( a. \) Predictors: (Constant), resource allocation, organization leadership, organization structure and institutional policies.

Table 4.8 is a model fit which established how fit the model equation fits the data. The adjusted \( R^2 \) was used to establish the predictive power of the study model and it was found to be 0.829 implying that 83\% of the variations on the performance of public health hospitals in Kitui County are explained by resource allocation, organization leadership, organization structure and institutional policies 17\% unexplained. Therefore, further studies should be done to establish the other factors (17\%) influencing performance of public health hospitals in Kitui County.
Table 4.2: Summary of ANOVA results of the regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>16</td>
<td>2.15</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>66</td>
<td>2.20</td>
<td>145</td>
<td>155</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>228.355</td>
<td>155</td>
<td>15.366</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), resource allocation, organization leadership, organization structure and institutional policies

b. Dependent Variable: Performance of public health hospitals in Kitui County

The probability value of 0.000 shown in table 4.9 indicates that the regression relationship was highly significant in predicting how resource allocation, organization leadership, organization structure and institutional policies influenced performance of public health hospitals in Kitui County. The F calculated at 5 percent level of significance was 15.366 since F calculated is greater than the F critical (value = 2.86), this shows that the overall model was significant.

Table 4.3: Coefficients of regression equation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.359</td>
<td>0.473</td>
<td>2.825</td>
<td>0.0105</td>
</tr>
<tr>
<td>Resource allocation</td>
<td>0.642</td>
<td>0.172</td>
<td>0.205</td>
<td>3.709</td>
</tr>
<tr>
<td>Organization leadership</td>
<td>0.636</td>
<td>0.155</td>
<td>0.693</td>
<td>3.716</td>
</tr>
<tr>
<td>Organization structure</td>
<td>0.625</td>
<td>0.187</td>
<td>0.222</td>
<td>3.235</td>
</tr>
<tr>
<td>Institutional policies</td>
<td>0.595</td>
<td>0.127</td>
<td>0.222</td>
<td>3.235</td>
</tr>
</tbody>
</table>

The regression findings in table 4.10 has established that taking all factors into account (resource allocation, organization leadership, organization structure and institutional policies) constant at zero Performance of public health hospitals in Kitui County was 1.349. The findings revealed that resource allocation led to 0.642 increase in Performance of public health hospitals in Kitui County and a unit increase organization leadership led to 0.636 increase in the Performance of public health hospitals in Kitui County. In addition, the findings shows that a unit increase in organization structure led to 0.625 increase in Performance of public health hospitals in Kitui County. Further the study also found that a unit increase in institutional policies led to 0.595 increase in Performance of public health hospitals in Kitui County. This means that the most significant variable was Institutional policies, followed by organization structure, Organization leadership and resource allocation in that order. The Resource allocation stood out to be the most because it had a significant p value of 0.0439.
In terms of magnitude, the findings indicated that resource allocation have the highest influence on Performance of public health hospitals in Kitui County followed by Organization leadership, Organization structure then Institutional policies had the least influence on Performance of public health hospitals in Kitui County. All the variables were significant as their P-values were less than 0.05.
The established optimal model for the study was:
\[ Y = 1.359 + 0.642X_1 + 0.636X_2 + 0.625X_3 + 0.595X_4 \]

5.0 Conclusion and Recommendations

5.1 Conclusion

Conclusion to this study showed that resource allocation influenced organization performance in public health hospitals in Kitui County. The study concludes that it was important for the public health hospitals organization to change how allocation of resources is done so as to enable the efficiency in strategic planning and performance of public health hospitals.

As per the research findings, the study concludes Leadership is an important factor for improving public health hospital performance. Leaders are significant in decision making such as deciding on the acquisition criteria, growth and distribution of organizational resources, the transformation of the resources into final and productive products and services, and the provision of value addition to organization stakeholders. As per the findings on inferential results showed that a unit increase organization leadership led to 0.636.

Organizational structure is an outline through which certain actions are directed for any given organization to achieve the set goals which can be done by use of rules, roles and responsibilities. Organizational structure organizes human resource and activities also indicating on how information flows for the work to be executed and its goals can be achieved effectively and efficiently.

The study also concludes that Institutional policy effectiveness incorporates efficiency of the administration and civil workers, roles and duties of all working under government, which can include both the administrative and technical skills of government. Institutional policy are aligned with the organizational mission and vision and should be for the best performance in health sector.

5.2 Recommendations

On Resource allocation the following recommendations were made, public health hospitals in Kitui County should give clear directions on accountability measures to be used to enable all resource allocation decisions to be carefully scrutinized, and a clear monitoring and evaluation system to be put in place for all resource allocations. Through this all resource allocation decisions should give the best results to the organization.

The study on Organizational leadership recommends that leadership practices should to be evaluated and practiced in the public health hospitals in Kenya. Leadership development strategies in the public hospital should be enhanced so as to improve on service delivery. As per
the research findings, the researcher recommends that leadership be cascaded to all level of employees/management. This is to help the public health hospitals achieve its objectives on service delivery to both patients and suppliers among other customers.

On Organizational structure the public health hospitals in Kitui County ought to assign authority and be in a position to ensure that all employees are aware on where to report to and the responsibilities they should undertake which makes division of labor in an organization controllable. Organization structure should be designed and arranged to enable development and deployment of organizational strategy. Organizational structure should be flexible for easy adoption.

The study further recommends that all the officers in charge of the Management of public health facilities should be trained by the government on the institutional policies which favour successful organization performance in public health hospitals. This is because the institutional policies influences organization performance in public health hospitals.

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