

**THE EFFECTS OF ENVIRONMENTAL FACTORS ON STRATEGY
IMPLEMENTATION IN PRIVATE HOSPITALS IN NAIROBI COUNTY,
KENYA**

By

MARIA MUTHEU MUTHAI

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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MARIA MUTHEU MUTHAI

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Fulfillment of the Requirement for the Degree of Masters in Business
Administration (MBA)**

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SPRING 2018

STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than United States International University in Nairobi for Academic credit.

Signed: _____ **Date** _____

Maria Mutheu Muthai (620058)

This report has been presented for examination with my approval as the appointed supervisor.

Signed: _____ **Date:** _____

Dr. Maina Muchara, PhD

Signed: _____ **Date:** _____

Dean, Chandaria School of Business

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ABSTRACT

The purpose of the study was to determine the effects of environmental factors on strategy implementation in private hospitals in Nairobi County, Kenya. The study was guided by the following research questions; what is the effect of internal organization factors on strategy implementation in private hospitals in Nairobi County, Kenya; how does industry forces affect strategy implementation in private hospitals in Nairobi County, Kenya and lastly, how do government regulations affect strategy implementation in private hospitals in Nairobi County, Kenya.

A descriptive research design was used, with a sample size was 44 employees from 50 private hospitals in Nairobi. Out of these 32 respondents returned their questionnaires resulting into a response rate of 72.73%. Data was collected using questionnaires and analyzed quantitatively and qualitatively where it provided an appropriate analysis that was then used in the preparation of frequency tables.

The findings of the study on internal organization factors indicated a positive correlation between internal organization factors and strategy implementation with a magnitude of 0.461. The study further found that industrial forces positively affected strategy implementation. This is indicated by Pearson correlation statistic with a magnitude of 0.387. On whether the government affected strategy implementation the study found that it indeed affected strategy implementation with a magnitude of 0.341.

From the findings, all Pearson correlation statistics indicated positive relationship between internal organization factors, industrial forces, government regulation and strategy implementation. Therefore, conclusion can be drawn that internal organization factors, industrial forces and government regulation affected strategy implementation.

The researcher recommends that internal organization factors that contribute to successful strategy implementation should be properly be aligned with the short-term objectives, functional tactics and personnel empowerment. It also recommends a combination of industrial forces tactics that hospitals can adopt while implementing strategies. These are hospital brand, consultations with suppliers on price increases: buying of medical suppliers in large scale. The study further recommends lobbying by the various players in the private hospital sector

so as to find solutions to the various government regulations that have acted in a manner to undermine the factors such as organization resource that helps in strategy implementation

The study recommends that further studies on the effects of environmental organizational factors in strategy implementation study be carried out in other private hospitals in other Counties as well as in other sectors.

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I forthwith acknowledge the support of my family who stood by me throughout my studies and for their unending support. I appreciate you and may God bless you.

I extend my sincere gratitude to Dr. Maina Muchara for his guidance and support in preparation of the research project. I acknowledge the support from the thirty-three private hospitals that filled and returned my questionnaire. Finally, I thank Almighty God for enabling me to undertake the research project to the end with a lot of determination.

DEDICATION

To my dear husband Titus Mutinda for his unwavering support and encouragement and to my dear children Dylan, Nathan, Zaina and Lucca.

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ABBREVIATIONS

FBO:	Faith Based Organizations
GDP:	Gross Domestic Product
HMIS:	Health Management Information Systems
ICTs:	Information and Communication Technology
MOH:	Ministry of Health
NCHS:	National Center for Health Statistics (US),
NGO's:	Non-Governmental Organizations
PHMT:	Provincial Health Management Team
PMSMT:	Provincial Medical Services Management Team
SADC:	Southern African Development Community
UNMHCP:	Uganda National Minimum Health Care Package

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

The universal acceptance for good strategy implementation stems from the fact that firms operate in turbulent environments, and that firm managers feel the process of undertaking the development and review of their strategies and direction is of substantial benefit in evaluating performance (Falshaw, Gleister and Tatoglu, 2006). Effective strategy realization is key for achieving strategic success (Allio, 2015; Noble, 2009). Strategy implementation success is influenced by factors that have, generally, been classified as soft and hard (Todnem, 2015). The degree of influence, resulting from the factors, however, may be more critical in some than others. Soft factors or people-oriented factors include the people or executors of the strategy; the communication activities, including content and style issues, as well as the closely related implementation tactics; and the consensus about and commitment to the strategy.

Strategic plans may fail to produce the desired results as noted by (Noble, 2009) who said that organizations may have formulated the best strategies, but the strategies may fail to produce the desired results if they are not implemented in the right way. Smith and Kofron (2006) believed that the senior management played a major role not only in the formulation, but in the implementation of the strategy while Nutt (2006) suggested that the tactics used in leadership styles may play important roles in overcoming obstructions from the lower levels that sometimes may appear in the implementation strategies.

Organizations seem to have difficulties in implementing their strategies, however, researchers have revealed a number of problems in strategy implementation (Beer and Eisenstat, 2000) which include: weak management roles in implementation, lack of communication, lack of commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Aaltonen & Ikavalko, 2002).

In the United States, healthcare IT speculations are foundational to medicinal services change and executing new installment frameworks that support mind coordination and wellbeing of the aging population, while decreasing anticipated expenses. In parallel with a long haul medicinal services IT exertion, the joined calamities of the considerable

seismic tremor, wave, and Fukushima atomic plant emergency have annihilated a great part of the social insurance conveyance framework of the Tohoku district, making the test and chance of remaking the human services framework in the locale. In the United States, new medicinal services IT was utilized effectively as a part of the New Orleans area to enhance human services conveyance in the repercussions of Hurricane Katrina, a standout amongst the most critical regular debacles in the country's history (National Center for Health Statistics (US), & National Center for Health Services Research, 2012).

Japan has also experienced challenges in strategy implementation in the health sector. According to Esmail (2013), Japan is facing the long-term policy challenge of an aging society, which requires increasing amounts of healthcare, both high acuity care and long-term chronic care. This need for additional health services in the face of significant national budget deficits with a national debt approaching 200 percent of GDP suggests the need to identify and implement new efficiencies in health care services.

The South African public sector has 331 public hospitals and provides healthcare services to more than 80% of the population (Pillay& Skordis-Worrall, 2013). However, there are various challenges to the implementation of ICTs in the healthcare sector in South Africa. Lluch (2011) identifies the following three sets of barriers to the use of IT in healthcare: cultural barriers, making the business case, and structural barriers. In the case of e-Health, Bartlett and Beamish (2014) identify the following barriers: the reluctance of healthcare providers to adopt technology or change their clinical practices without what they consider to be a compelling medical reason, the absence of an agreed-upon set of performance targets that can be accomplished through the use of IT in healthcare, the perceived opportunity costs of IT investments in healthcare, the fragmented nature of the health systems in many countries and their lack of centralized management and leadership.

Uganda has implemented health sector reforms for nearly two decades to improve access and strengthen health care systems. Among the reforms implemented is the decentralization of responsibility for delivery of health services and management of health care workers from the central Ministry of Health (MoH) to the local governments. The other reforms included the introduction and later the abolition of service fees, introduction of the Uganda National Minimum Health Care Package (UNMHCP) and the restructuring of MoH. While some components of the health sector reforms have shown favorable results such as the increase in immunization coverage, little emphasis was put on the

management of health care workers. Human resource management challenges have been reported in Uganda. Among these challenges is weak performance management of health care workers (Berman, & Bossert, 2012). The value for money audit for the health sector programs that was carried out in Uganda in the year 2006 revealed a number of weaknesses in performance management of health care workers in the districts. The audit revealed significant staffing gaps with many of the 112 districts in Uganda failing to attract and retain qualified health care workers. In addition, the districts did not have clear policies on staff training, transfers and rotation. There was irregular and inadequate support supervision, and health staff appraisals were occasional. Furthermore, many district and health facility managers were not utilizing the existing health management information systems (HMIS) to report performance (Berman, & Bossert, 2012).

The health sector in Kenya comprises of the public system, with major players being the Ministry of Health, parastatals and the private sector, which includes private for profit, Non-Governmental Organizations (NGO's), and Faith Based Organizations (FBO) facilities. Health services are provided through a network of over 4,700 health facilities countrywide, with the public-sector system accounting for about 51 percent of these facilities (Muga, Kaseje, Olayo, Musita, Oindo, & Wafula, 2014).

The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Simons, 2013). On the other hand strategy implementation involves organization of the firm's resources and motivation of staff to achieve objectives (Ramesh, 2012). The environmental conditions facing many organizations globally have changed rapidly (Machuki & Aosa, 2011). Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes (Acur & Englyst, 2013).

According to Waithaka (2012) there are three essential factors for successful strategy implementation. First of all, the change process should be systemic. This means that both the human and systemic aspects of the organization should fit with each other in the organization. This is a very important point. It is easy to imagine a situation in which severe motivation problems would arise in effect of a lack of interest in one of these aspects. The second factor is the condition that the change process should encourage the

open discussion of barriers to effective strategy implementation and adaptation. All impediments to strategy should be taken into account and the most reliable way to get the best information is to include the largest possible number of the organization's members into the discussion (Waithaka, 2012).

1.1.1 Health care sector in Kenya

The healthcare sector has experienced a rapid growth since Kenya attained independence in 1963; driven majorly by the government's commitment to make healthcare affordable and accessible to the majority of the population (Berman and Benson, 1995). This has largely been achieved through an increase of budgetary allocation that is non-restrictive to private healthcare providers. The Kenya Health Policy framework implementation and action plans (1996) provide three broad categories of Health care Facilities by type. They include the hospitals, health centers and sub-health centers.

Berman and Benson (1995) submits that the government offers 27% of healthcare, private hospitals 36% mission hospitals 22% and private nursing homes 14%. At 36% the private hospitals play a critical role in meeting the gap for a more and higher quality health care in the country. Mburu (2007) states that the public hospitals are characterized by drug shortages, lack of essential supplies and long delays due to failing government funding coupled with increasing population.

The health sector in Kenya comprises the public system, with major players including the Ministry of Health and parastatals organizations; and the private sector, which includes private for profit, NGO, and FBO facilities. Health services are provided through a network of over 4,700 health facilities countrywide, with the public-sector system accounting for about 51 percent of these facilities. The public health system consists of the following levels of health facilities: national referral hospitals, provincial general district hospitals, health centers, and dispensaries (Muga et al, 2014). The Private hospitals are owned by individuals and are mainly established to offer their services for profit.

1.2 Statement of the Problem

In today's global competitive environment which is complex, dynamic, and largely unpredictable. A lot of thinking has gone into the issue of how strategies are best implemented so as to deal with the unprecedented level of change in the economy. Therefore, assessing the success rate of strategy implementation becomes crucial for

practitioners and researchers alike with an aim of conducting and evaluating different factors that will ensure successful implementation (Acur and Englyst, 2013). Strategy implementation is imperative for the success of an organization. Making a strategy work or implementing it throughout the organization is, however, not an obvious process. Essentially, a good strategy is necessary to help in good execution efforts (Mintzberg, Ahlstrand and Lampel, 2015).

However, there has been a major problem in strategy implementation. This problem is illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Elwak, 2013). A study by Schaap (2006) titled *Towards Strategy Implementation Success: An Empirical Study of the Role of Senior-Level Leaders in the Nevada Gaming Industry*. And a study by Sterling, J. (2003) on *Translating Strategy into effective Implementation; Dispelling the Myths and Highlighting what works, Strategy and Leadership a case of MCB UP Company Ltd.* identified factors that lead to failure of strategies. These included unanticipated market changes; effective competitor responses to strategy application of insufficient resources; failure of buy in, lack of focus; and bad strategy poorly conceived business models.

Echoed by Altuntas, Semercioz, Mert and Pehlivan (2014), on their study of *Industry forces, competitive and functional strategies and organizational performance: a case of restaurants in Istanbul, Turkey* they assert that industry evaluation is necessary for successful implementation of a competitive strategy. It also affirmed that rewards, organization structure as success factor in strategy implementation. Ndubisi and Chukwunonso (2005) in their study on *Diffusion of Landscaping Services in Organizations: A Two Nations Study of Determinant Factors, Management of Environmental Quality*. They found out that among the key environmental factors government regulation also affected organization's decisions on adoption of different initiatives since it sought to protect the interest of the public. These studies however, were not done on hospitals and did not indicate the extent at which industrial forces and government regulation affected strategy implementation

Local studies have been done on the factors affecting strategy implementation. These include; a study by Abok (2013) on factors affecting effective implementation of strategic plans in non-governmental organizations in Kenya. The study found out that management styles, organization culture, stakeholders and organization resources and communication affected strategy implementation. However, the study mainly focused on strategy

implementation in NGO's and therefore not in hospitals. Another study by Warui, Kimemia, Mungara and Asuman, (2015) on Organizational factors affecting the adoption of Strategies in Rural Mission Hospitals in Kenya indicated that Kenyan Mission hospitals took into account both internal and external environmental factors. They however, do not indicate the level at which industrial forces affects strategy implementation. Given the importance of effective strategy implementation, this study therefore sought to fill the research gap guided by the following research question: what are the environmental factors that affect strategy implementation in private hospitals in Nairobi County, Kenya.

1.3 Purpose of the Study

The purpose of the study was to determine the effects of environmental factors on strategy implementation in private hospitals in Nairobi, Kenya.

1.4 Research Questions

The study was guided by the following research questions;

- 1.4.1** What is the effect of internal organizational factors on strategy implementation in Private Hospitals in Kenya?
- 1.4.2** How do industrial forces affect strategy implementation in Private Hospitals in Kenya?
- 1.4.3** To what extent do government regulations affect strategy implementation in Private Hospitals in Kenya?

1.5 Significance of the Study

1.5.1 Private Hospitals in Kenya

The findings of the study will not only be useful to private hospitals in Nairobi County, but it will also be useful to other managers in other sectors. It would help them understand the factors affecting strategy implementation and how to overcome them, it will help different hospitals achieve success better than others in the industry.

1.5.2 Policy Makers

The findings will help in enlightening the key Policy makers in private hospitals in Nairobi County in policies formulation and on how to successfully implement their strategies and how they could purpose to mitigate the challenges facing it. The study will

in addition to the above, be useful to stakeholders, financiers, and investors in formulating and planning areas of intervention and support.

1.5.3 Researchers and Scholars

Finally, the study will provide additional knowledge to existing and future institutions on factors affecting strategy implementation and provide information to potential and current scholars on strategic management in Kenya. This will expand their knowledge on strategy implementation and also identify areas of further study. The study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies. The study will also highlight other important relationships that require further research; this may be in the areas of relationships between successful strategy implementation and firm's performance.

1.6 Scope of the Study

The study focused on the factors affecting strategy implementation in private hospitals in Nairobi. This study sought to determine the factors affecting strategy implementation in private hospitals in Nairobi. There are 50 private hospitals in Nairobi County (Nairobi County Report, 2015). The study focused on all the 50 private hospitals in Nairobi. The specific respondents were 50 managers in the private hospitals in Nairobi. The study was conducted in Nairobi County, Kenya. The study was conducted in the year 2016/2017.

1.7 Definition of Terms

1.7.1 Industry forces

Industry forces refers to competition forces or rivalry between competing companies within a certain industry with an aim of gaining sales, making profits and gaining a large market share (Godfrey,2008)

1.7.2 Internal organization factors

Internal factors in an organization are factors that are within its control, such as the organization's culture, its management structure and internal communication (Schein, 2012).

1.7.3 Government Regulation

Rules made by a government or other authority in order to control the way hospitals are operated (Galliers and Leidner, 2014).

1.7.4 Strategy

Strategy is the match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Ahearne, Lam & Kraus, 2014)

1.7.5 Strategy Implementation

According to Ahearne et al., (2014) strategy implementation is an iterative process of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment.

1.8 Chapter Summary

This chapter presents a general overview of this study. The introduction provided the background of the study as regards to factors affecting strategy implementation in private hospitals in Nairobi. The chapter presents the statement of the problem and the purpose of the study. The research questions of the study are also clearly outlined as well as the significance of the study, scope of the study, and the definition of significant terms as used in the study.

The second chapter contains the literature review which is touching on the key variables as well as previous studies and their outcomes. The literature was reviewed according to the independent variables identified in the research questions. Chapter three contains the methodology that was used in this study encompassing the research design, population, sample, data collection methods, research procedures and data analysis methods. Chapter four deals with research findings and presentation whereas, the final chapter five, captures conclusion, summary and recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The purpose of literature review is to outline what has been done previously as far as the research problem being studied is concerned. The literature reviewed in this study was explored under three themes that were studied. This research drew materials from several sources which are related to the objectives of this specific study. The chapter finally presented the chapter summary.

2.2 Internal Organization factors and Strategy Implementation

Strategy implementation is a complex phenomenon (Morgan, Katsikeas & Vorhies, 2012). Strategy implementation is the putting into action a formulated strategy. It involves organization of the firm's resources and motivation of the staff to achieve objectives (Elwak, 2013). According to Gupta and Govindarajan (2004) strategy implementation is the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Skivington and Daft (2010) identified the implementation process as being undertaken through a systematic approach which provided a link between strategic consensus and implementation success. In this study strategy implementation will be defined as ensuring that the elements of organization plans are actualized, by the authorized execution officers, within set timelines and with expected outcomes.

In order to actualize strategy, the people within the organization are guided on what to actually do. This guidance is provided for by three tools, including; Short term objectives, initiation of specific functional tactics and communicating policies that empower people in the organization. Accordingly, Bradley (2017) asserts that Short-term objectives represent the goals an organization sets that are centered on tasks that can be achieved within the next six months or, at the outset, within one year. Functional tactics identify the specific, immediate actions that must be taken in key functional areas so as to implement the business strategy. That is functional tactics translate strategy into action designed to achieve specific short-term objectives. Accordingly, empowerment is created in a number of ways, including training, self-managed work groups, eliminating whole levels of management in organizations and aggressive use of automation (Pearce and Robinson, 2004).

Internal factors of an organization refer to those factors within an organization that can affect its performance whether positively or negatively. These are the inner strengths and weakness of an organization. Managing these internal strengths of an organization proves critical in the successful strategy by an organization. As indicated by Okumus (2003), the internal factors that affect an organization's ability to successful implement a strategy include organizational structure, organizational culture and organizational learning. Resource allocation, people, effective communication, leadership style and top-level management commitment have also been identified as success factors (Heathfield, 2009).

2.2.1 Organization Culture

According to Ravasi and Schultz (2006), organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behaviour. The pattern of such collective assumptions and behaviours are taught to new employees as a way of perceiving, thinking and feeling. Thus, organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. It is the strategy implementer's task to bring the corporate culture into alignment with the strategy and keep it there once a strategy is chosen.

An organization's cultural setting can either facilitate or hinder successful strategy implementation. Burnes (2004) in his studies on culture, power, politics and change notes that when an organization environment is changing rapidly situations will arise when its culture is out of step with the changes taking place. Cultural change poses major challenges as strategy managers have to manage the power politics that arise as a result of attempting to change the status quo within the organization. Aosa (2002) notes that lack of compatibility of strategy and culture can lead to resistance to change and frustrate strategic plan implementation efforts.

Wachira (2012) conducted a study on factors influencing strategy implementation at Kenya Power and Lighting Company Ltd. The findings of the study was that the challenges of strategy implementation was the culture being practiced in the company which brought about nepotism, favoritism, unethical behaviors' and low integrity and change management which affects effectiveness and efficiency in service delivery, the organizational structure which has been adopted, insufficient resources which includes financial, limited space, communication equipment, infrastructure, human resource in

terms of numbers, physical, time, technological and equipment and working tools, and lack of communication and lack of top management commitment (Wachira, 2012).

Organization cultures also need to be flexible and adaptable. According to David (2013), strategies which are implemented within an organization should support the culture associated with the firm. The proposed strategy should preserve, emphasize, and enhance the culture, in accordance with the culture supporting the proposed strategy. Organizations that remain flexible are more likely to embrace change and create an environment that remains open to production and communication. This provides a model that welcomes cultural diversity and helps clarify strategy implementation. Culture within an organization can serve many purposes, including to unify members within an organization and help create a set of common norms or rules within an organization that employees follow.

Flexible, strong and unified cultures will approach strategy implementation and affect implementation in a positive manner by aligning goals. Goals can come into alignment when the organizational culture works to focus on productivity and getting the organization's primary mission accomplished. This may include getting products delivered to customers on time, shipping out more products than the organization's chief competitor or similar goals. This will create a domino effect in the organization that ensures that all work performed by each individual in the company and work group focuses on performance and on the strategic importance of the company. This allows culture to align with strategy implementation at the most basic level. For this level of unification to work, goal setting must align with and be supported by systems, policies, procedures and processes within the organization, thereby helping to achieve strategy implementation and continuing the cultural integrity of the organization.

2.2.2 Organization Resources

An organization cannot purport be able to implement a strategy when it is not capable of doing so. An organization's resources include all assets, capabilities, organizational processes, attributes, staff, information and knowledge controlled by an organization thus enabling it to conceive and implement strategies that improve its efficiency and effectiveness (Daft, 2000). Different resources are used by organizations to accomplish goals. The key resources used by organizations are human resources, financial resources, physical resources, and information resources.

Ismail, Rose, Uli & Abdullah (2012) conducted a study on the relationship between organizational resources, capabilities, systems and competitive advantage. This research empirically examined the importance of and emphasis placed on organizational resources, capabilities and systems in their relationships with competitive advantage. The overall findings indicated significant, positive effects of organizational resources, capabilities and systems collectively on competitive advantage, providing support and corroboration to the resource-based view (RBV). The total variance in competitive advantage accounted for by the multiple linear regression (MLR) model was 56.2%. In short, the findings from this study have not only contributed to the literature on the issue of the relationship between organizational resources, capabilities, systems and competitive advantage, but also provided vital information to both practitioners and policy makers on the subject matter (Ismail et. al, 2012).

Skilled and experienced personnel are a crucial resource. Putting together a talented management team with the right mix of experiences, skills, and abilities to get things done is one of the first steps to take in launching the strategy-executing process. Skilled and experienced personnel are important in strategy implementation. Organizations successful at strategy implementation also consider its skilled and experienced manpower in making strategies happen. Further, they realize that personnel are really a two part story. Olson (2005) opines that consideration of personnel requires that management think about the organization's communication needs. That they articulate the strategies so that those charged with developing the corresponding action steps fully understand the strategy they are to implement.

Another aspect of organization resource is adequate financial resource. Finance is critical when undertaking any project especially in strategy implementation. During the process of strategy planning finance is needed especially when data or information is gathered concerning a particular strategy to be implemented. It may involve traveling, holding meetings, or publishing tools for communications such as pamphlets and fliers. And upon formulation, money is also required for implementation. A plan should not be formulated if it cannot be implemented. Recklies (2008) is of the opinion that only the programs which yield highest returns should be funded after the key action areas have been identified.

2.2.3 Top level management support and commitment

Successful strategic plan implementation requires a large commitment from executives and senior managers. Therefore, planning requirement which may be done even at departmental levels requires executive support. Executives must lead, support, follow-up and live the results of strategic planning implementation process. According to Heathfield (2009), without commitment of senior executives, participants feel fooled and misled. Accordingly, a vision or mission statement along with a year's goals not implemented but kept in a cabinet or computer is a serious source of negativity and poor employee morale.

Implementation of strategies is often accompanied by changes in the process, system, and even structure of an organization (Hrebiniak and Joyce, 2011), executives must make wise decisions when approaching certain strategies that could affect people and their overall implementation. These findings complement what Raps (2004) claims; that the commitment to the strategic direction is a prerequisite for strategy implementation, so top managers have to show their dedication to the effort. To implement strategy successfully, senior executives must not assume that lower level managers have the same perceptions of the strategic plan and its implementation, its underlying rationale, and its urgency. Instead, they must assume they don't, so executives must persuade employees of the validity of their ideas. For managers, challenges continually arise from different positions surrounding the process. Indeed, there is no definitive method for achieving successful implementation, it is instead a continuous challenge that requires a collective approach from managers and low-level staff. Studies by Okumus (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels and lack of or poor planning activities.

2.2.4 Effective communication of the strategy

Bakhuya (2015) conducted a study on effect of communication strategy on strategic planning in African banking corporation Kenya. The findings indicated that effective communication is important for successful implementation of strategy at the African Banking Corporation in Kenya. The benefits of effective communication include: helping the managers to perform the basic functions such as planning, organizing, motivating and controlling (Bakhuya, 2015). The main challenges facing communication in strategic planning include; poor authority structure lack of coordination and support from other

levels of management and resistance from lower levels and lack of or poor planning activities.

Machuki (2005) argued that implementation challenges arose from inadequate communication and training, non-involvement of strategy implementers in the formulation process, structure, culture, processes & procedures and reward systems that were not aligned to strategy. Forman and Argenti (2015) also observed that, although an entire discipline is devoted to the study of organizational strategy, including strategy implementation; little attention has been given to the links between communication and strategy. At least, numerous researchers have already emphasized the importance of communication for the process of strategy implementation (Schaap, 2016)

2.3 Industrial Forces and Strategy Implementation

Several studies have examined the central role of organization's position in an industry by comparing it to its competitors in an industry. This comparison has been in terms of its organizational success focusing on its external conditions. Five industrial forces have been identified; namely the threat of new entrants, bargaining power of buyers and sellers, threat of substitute products and services and intensity of rivalry among existing firms (Porter, 1980). In his five forces model, Porter (1980) assists businesses to evaluate their industry as a whole in any cluster and he enables businesses to forecast the industry's growth and conceptualize their positions compared to one another. Therefore, awareness of Porters five forces can help a company understand the structure of its industry and stake out a position that is more profitable and less vulnerable to attack (Porter, 2008).

Accordingly Gültekin et al., (2014) opines that following the industry evaluation, an organization should implement a competitive strategy, or in other words, it should position itself in a favorable manner or at least to protect its situation in order to succeed particularly in a hostile environment with a deep consideration at the threat of existing competitors and new entrants, product substitutes, and bargaining power of suppliers and customers (Güngören and Orhan, 2001)

The objective in setting a competitive strategy is to seek a position in which competitive forces do the firm the most good or cause it the least harm. To overcome these competitive forces and succeed in the long term, management can select from several competitive strategies: cost leadership, differentiation (Najib and Kiminami, 2011).

2.3.1. Barriers of Entry

Barriers to entry is a competitive force or industrial force that looks at how easy or difficult it is for competitors to join the marketplace in the industry that is being examined. The easier it is for a competitor to join the marketplace, the greater the risk of a business's market share being depleted. This therefore would mean that organization implement its strategic objectives successfully and effectively. Be it a market development or market penetration strategy. Barriers to entry include absolute cost advantages, access to inputs, economies of scale and well-recognized brands.

Porter (1980) the new entry brings new capacity to the industry and usually substantial resources. The aim of a new firm is to gain some market share from competing companies that already exists. The success depends on how well the new firm is able to anticipate barriers of entry and possible reaction of existing firms. The barriers of entry may include economies of scale, product differentiation as the firm has to spend heavily to overcome customer loyalty from competition. Other barriers may include access to distribution channels, cost disadvantage due to size and the learning curve (Mbugua, 2010).

The seriousness of the threat of entry depends on the barriers present and on the reaction from existing competitors that entrants can expect. If barriers to entry are high, newcomers can expect sharp retaliation from the entrenched competitors but obviously the newcomers will not pose a serious threat of entering. Kiandiko (2007) conducted a study on analysis of the extent to which barriers to entry have contributed to profitability. The research findings confirmed that Porter's five industry forces and that each force had a varying degree of influence on company profitability. However, the threat of new entry was found to be the strongest force and the one that governed the rules of competition in the industry. It was the most critical for strategy formulation.

2.3.2 Bargaining Power of Suppliers and Buyers

A number of researchers have described the buyer power as a bargaining power or a countervailing power. But a number of other researchers define buyer power as strength of demand for lower price that; the buyer power is wider than the strength of a monopoly; the buyer power is more than just the ability to cut prices (Chen, 2007). Dodd and Asfaha (2008) cited a number of definitions of buyer power from three researchers: (1) There will be buyer power when a company has dominant position as a buyer of goods or services or because the company has a strategic advantage and leverage because of its economic scale

or other factors, that it would have more favorable conditions of trade transaction with suppliers than other buyers from suppliers (OECD, 1981), (2) There is buyer power when a company or group of companies have more favorable conditions of trade transactions with suppliers than other buyers or are given lower prices or more favorable non price conditions than under normal competition (Dobson, 2001) and (3) Buyer power is a bargaining power of buyers, facing suppliers in business negotiation. With economic scale and the significance of purchases, the buyers have the ability to change alternative suppliers (European Commission, 2003).

Buyer power is the ability of buyers to cut selling prices of suppliers to below the normal price level that would enable the buyers to earn larger profits or the ability of buyers to demand more favorable trade terms. Normal selling prices are prices that give maximum profit for suppliers under a situation when buyers have no power. Under perfect competition market structure among suppliers, the normal selling price of suppliers is a competitive price and buyer power is a monopoly power. Under an imperfect competition market structure among suppliers, the normal selling price is above the competitive price and buyer power is a countervailing power (Chen, 2008).

Buyers will have the biggest power when making big purchases. If suppliers sell to large scale buyers, the buyer will have a greater leverage to force suppliers to lower the price and give more favorable conditions for the buyers as the suppliers do not want to lose potential buyers. Buyers also have certain level of power facing suppliers however, that bargaining power is not always the same. They are not the same in sensitivity to prices, quality and services. The presence of powerful buyers would reduce the potential profit for suppliers. By demanding price cut, negotiating improvement of quality, increasing the services and arranging suppliers, the buyers would be able to increase their market competition and reduce the profit of industry (Ehmke, Fulton and Akridge, 2009).

Suppliers could be in the position of under pressure to accept with various costs in trade terms including promotional costs demanded by modern retailers and the costs have to be paid immediately. The condition could be considered as a transfer of risks from modern retailers to suppliers. Buyer power comes from a number of factors including business scale, competition being not very tight in the market, dependence of suppliers that prompt buyers to act as the 'goal keeper' between suppliers and consumers. Buyer power could absorb the surplus of suppliers through discount and costs being charged to the suppliers.

Such condition could weaken the competitiveness of the suppliers and distortion in competition in the supplier market that suppliers would reduce investment, development of new products and innovation. As a result, the quality of products would be lower and there would be less choices for the consumers (Nicholson and Young, 2012).

2.3.3 Threat of substitute products

A threat of substitutes exists when price changes in other industries influence product demand in the industry being analysed. Close substitutes generally restrict a firm's ability to raise prices and thus limits profitability (Niederhut-Bollmann and Theuvsen, 2008). This is perceived to occur when different companies produce the good or service that satisfies the same need for example Blue Band and Prestige margarines. When companies have the similar products or services then this would definitely shape the industry forces. It therefore requires an organization to successfully implement the right strategies in order for them to remain profitable and increase their market share (Niederhut-Bollmann and Theuvsen, 2008).

The presence of substitute products limits the potential of an industry. Johnson and Scholes (2002) observes that a competitive strategy need give attention to a product that gives a higher return and therefore reduce price sensitivity in the industry. They postulate that there are different types of substitution. Product to product substitution is the most common; however, there is also need substitution, where one product in the market can render the other obsolete as they meet the same needs. Generic substitution occurs when products in the market compete for the available budget expenditure with other suppliers. Thompson and Strickland (2006) argue that doing without using the product is considered as a form of substitution.

Manifestly, the more attractive the price-performance trade-off offered by substitute products, the firmer the lid placed on the industry's profit potential. Sugar producers confronted with the large-scale commercialization of high-fructose corn syrup, a sugar substitute, are learning this lesson today. Substitutes not only limit profits in normal times; they also reduce the bonanza an industry can reap in boom times. In 1978 the producers of fiberglass insulation enjoyed unprecedented demand as a result of high energy costs and severe winter weather. But the industry's ability to raise prices was tempered by the plethora of insulation substitutes, including cellulose, rock wool, and Styrofoam. These substitutes are bound to become an even stronger force once the current round of plant

additions by fiberglass insulation producers has boosted capacity enough to meet demand (Niederhut-Bollmann and Theuvsen, 2008).

Substitute products that deserve the most attention strategically are those that are; subject to trends improving their price-performance trade-off with the industry's product; or are produced by industries earning high profits. Substitutes often come rapidly into play if some development increases competition in their industries and causes price reduction or performance improvement (Altuntas et al., 2014).

2.3.4 Rivalry among existing competitors in the industry

Strategic analysis deeply examines the impact of competitive rivalry with a focus on a business' external conditions, which takes many different forms in an attempt to obtain an advantageous position including price discounting, advertising campaigns, new product launch, service improvements and warranty when a competitor feels pressured to increase sales or see an opportunity to improve its position (Porter, 1980), on its behaviors as well as organizational performance particularly in hostile situations (Sanzo and Vazquez, 2011)

Additional competitors may arise from what Porter calls "extended rivalry"—customers, suppliers, substitutes, and potential new entrants (Ormanidhi and Siringa, 2008). Rivalry among existing competitors takes many familiar forms, including price discounting, new product introductions, advertising campaigns, and service improvements. High rivalry limits the profitability of an industry. The degree to which rivalry drives down an industry's profit potential depends, first, on the rivalry among existing competitors. Intensity with which companies compete and, second, on the basis on which they compete (Porter, 2008). The business should identify its position in the market area and fight against the competition that threatens its strategic position before formulating and implementing firm strategies, which industry forces have a major impact on (Tavitiyaman, Qu and Zhang, 2011). The rivalry among competitors includes price competition, advertisement and product extensions. Competition is considered intense in the Industry if the growth is slow, the products are not well differentiated, products are perishable, and the switching costs are low (Porter, 1980). When the exit costs for specialized equipment are high, they reduce the intensity of competition and translate to higher profits (Pearce and Robinson, 2007). The cost of specialized equipment is high, thereby increasing the existing costs.

2.4 Government Regulations and Strategy Implementation

Governments establish many rules and regulations that guide operations of organizations. Organizations will therefore, normally change the way they operate when government changes these rules and regulations. The economic policies of the government and market regulations also influences on the competitiveness and profitability of businesses (Williams, 2002). Echoing the same argument is (Godfrey, 2008) he asserts that Government policies and behaviors play a critical role by affecting the costs, risks and operation of business activities. It is a mandatory requirement for organizations to comply with regulations established by national and county governments. Therefore, government actions can lead to growth as well as unexpected impediments to growth.

Barnes, O'Hanlon, Feeley, McKeon, Gitonga & Decker (2009) assert that the primary means by which the government interfaces with the private sector is through regulation. They argue that through government laws and institutions that implement them, the government is able to determine; those who can operate in the private health sector; the quality standards private hospitals must meet; the services they can provide; and where they can practice. Worth noting is that effective and appropriate regulation is a pivotal driver of the quality and quantity of private health services. Accordingly, regulation of medical professionals and facilities by the government establishes minimum standards for quality, and, if effective, it's able to lock out providers who do not meet those standards out of business. Barnes et al., (2009) adds that improving the quality of private healthcare providers require support systems that is attained through access to medical education, improved technologies, and creation of incentives including accreditation or certification.

Government regulation affects any industry in different ways. The industry specific impact depends on the nature of the regulation on that particular industry. Even though increased government regulation essentially means a higher workload for industry or organization because it usually takes time and effort for business to adjust their operations to ensure that the new regulations are being followed to the letter. Trade regulations, labour laws, taxes and the requirements for permits or licenses have effect an effect on business operation. For example, carrying out of periodic health inspections in all hotels and restaurants. These regulations may force organizations spend a lot of money and time to comply with regulations that ultimately prove to be ineffective and unnecessary. However, fair and effective regulations, promote business growth.

2.4.1 Labor Laws

According to Chacaltana (2009), labour laws regulate the labour relationship in the economy. It gives workers some level of protection or benefits, the right to unionize and collectively bargain and also defining procedures and duties for both parties. At the same time, labour and labour-related laws usually imply costs, especially for firms. In both ways, they influence wages, employment, resource allocation, and also affect other aggregated variables such as welfare, demand, trade, investment.

It is however seen that the labour laws themselves are external source of imperfections. The argument opined by Deakin (2009) is that labour laws originate from the decisions made in the political sphere and reflect rent-seeking, or distributional demands, by collective groups. Rent-seeking, as it is aimed at redistribution rather than value creation, imposes a deadweight loss on the economy and so constitutes a source of inefficiencies in the organization and consequently in the economy.

There are many channels through which these laws affect economic incentives and variables. In fact, depending on the type of law analyzed, affected variables could be so diverse that specific studies for every case would be needed. For example, analyzing the effects of fundamental labour standards on Foreign Direct Investment (FDI) flows, Kucera (2002), argues that there are negative and also positive incentives. A negative effect is that indeed labour standards increase firm's costs and reduce incentives to FDI. However, positive effects arise from the fact that freedom of association increases political stability and the reduction in child labour and discrimination increases human capital, thus increasing the incentives for FDI. The final effect, that they find positive, is the balance of these two forces.

2.4.2 Taxes

Taxes are a major source of government revenue. However, Njuru, Ombuki, Wawire and Okeri, (2013) note that, if taxes are not handled well, they can serve as a disincentive to investment rather than help in generating the much needed revenue for economic development. As explained by Norgah (1998), taxes may become a disincentive, if they are so high that investors cannot pay, they close shops. Government therefore ends up losing the little it can raise from them. Paradoxically, higher tax revenue ensures enough revenue and avoids budget deficits which in themselves either attract investors or ward them off. Heavy taxation, especially direct taxes, stifles private investment. Taxes have

negative implication on cost of production and on profitability. This is because most of the resources available for private investment are diverted and channeled to public use, thereby crowding-out private investment. Income taxes reduce the disposable income and hence contribute to determining how much profit must be ploughed back into the business if any (Njuru et al., 2013). It is therefore imperative to determine an optimum level of income tax rate that maximizes tax revenue and ensures maximum private investment. Indirect taxes on imports can be used to protect local infant industries from unhealthy competition posed by cheap imports. This promotes private investment in the industries that produce import substitutes. However, if indirect taxes are imposed on inputs and capital used by local producers, it will increase cost of production, which discourages private investment (Bhatia, 1998).

The government through taxation can implement a policy that can change the social and economic behavior in the business environment. For instance, the government can levy taxes on the use of carbon-based fuels and grant subsidies for businesses that use renewable energy. This will ultimately mean spur growth within thin the renewable energy and adversely affect carbon based fuel industry (Williams, 2002).

Gichuki (2015) conducted a study on tax administration reforms and argues that haphazard implementation of reforms may adversely affect the economy. Imposing more tax and duties than necessary on particular sector will make investors lose interest in that sector. Similarly, tax and duty exemptions on a particular sector will trigger investment in it and may generate growth. For example, a high tax rate on imported goods may encourage local production of the same goods. On the other hand, a high tax rate for raw materials hampers domestic production. It is noted that through taxation the government can underwrite the development of new technology that will bring the necessary change.

2.4.3 Licensing

Licensing which is a government role is considered to be crucial when it comes to strategy implementation in any organization. The government is not only about political oversight of business operations but is also tasked with enacting sufficient legislation that dictates how businesses should operate. Through licensing, the government can dictate who the players in the industry are. As such the government can refuse entrance of new players into the market foray by using certain controls that include: licensing requirements among others (Porter, 1998). Some licensing regulations can hinder the successful

implementation of strategies in the in any industry especially when changes in regulations apply to a specific industry or organization and its compliance requirement. There are many licensing requirements in the private healthcare sector with regards to employees such as nurses, doctors, pharmacists, clinical officers and licensing requirements for the facilities as well.

According to the Kenya Private Health Sector Assessment report by Barnes (2009), the Medical Practitioners and Dentists Board is the responsible agency for effective facility licensure and it leads a“posse” of the different boards in onsite inspections of hospitals and clinics. In addition, all health care facilities are subject to public health regulation through county public health office, and medical waste disposal is regulated through the environmental protection agency (GoK Ministry of Health, 2002).

Most regulated facilities do not view the existing rules of the various regulatory agencies as burdensome or unreasonable, but the process of multiple inspections and licenses can be costly and time consuming. Many licensed private hospitals still operate out of facilities cobbled together from several residential structures. In general, the professional boards’ interest is to see that properly qualified professionals are serving in these institutions function that need not require onsite inspection by members of the Boards. Instead, facilities could be required to keep records of currently valid licenses for key personnel, and facility inspectors could easily check through the central office of the respective board in order to detect forgeries (Barnes, 2009).

In the current era of heightened fiscal responsibility, transparency, accountability, and escalating issues on organization’s complexity, environmental impact and risk, licensing and accreditation contributes to ensuring that these meets the highest standards of service and quality product health. Licensing can serve as a risk mitigation strategy, and it can also measure performance; it provides key stakeholders with an unbiased, objective, and third-party review. It can constitute a management tool for diagnosing strengths and areas for improvement (Pomey, 2010).

2.5 Chapter Summary

This chapter clearly reviewed the relevant literature in relation to the research questions presented in this study. It has addressed issues regarding the factors influencing strategy implementation. Chapter three will describe the methods and procedures used to carry out the study. Specifically, the research design, population and sampling design, data collection methods, research procedures as well as data analysis methods were addressed.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

Research methodology discussed the procedures and methods of the research period. This section was an overall scheme, plan or structure designed to assist the researcher in answering the raised research question. It was a programme to guide the researcher in collecting, analysing and interpreting observed facts. This chapter provided information on the research methodology that was used in the study. It also addressed the research design especially with respect to the choice of the design. It also discussed the population of study, sample and sampling techniques, data collection methods as well as data analysis and data presentation methods that was employed in the study.

3.2 Research Design

A research design is a detailed plan of how a research study is going to be conducted starting from data collection to data analysis of the research (Cooper & Schindler 2014). This study used a descriptive research design. Descriptive research design helped generalize findings to all the private hospitals. The main focus of this study was the private hospitals in Nairobi County. This method concerns the intense investigation of problem solving situations in which solutions are relevant to the research problem. This strategy involves selecting of several targeted cases on which an intensive analysis is conducted. This aids in recognizing other possible ways for solving the research questions based on the present solution applied in the selected case study. The study brings out a subject, often by formulating a profile of group of problems (Cooper & Schindler, 2014). Descriptive survey design was considered to be appropriate for this study since it enabled the researcher to collect in depth information about the population that was being studied. The descriptive design provided sufficient information on private hospitals on strategic implementation.

3.3 Population and Sampling Design

3.3.1 Population

A population is the total collection of elements about which we wish to conduct a study, while a population element is the subject on which the measurement is being taken (Mugenda & Mugenda, 2003). The target population in this study comprised the 50 private hospitals in Nairobi County. The specific respondents were managers in each of the 50 hospitals.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling frame is defined as the name of all items of an element from which the sample is essentially drawn and is closely connected to the population (Kothari and Garg 2014). Campbell, Grimshaw & Steen (2000) posits that, the purpose of a sampling frame is to provide a means for choosing the particular members of the target population that are to be studied in the research process. The sample frame for this study consisted of one manager from all the 50 private hospitals in Nairobi.

3.3.2.2 Sampling Technique

According to Cooper and Schindler (2014) a sampling technique is the method of selecting elements from the population that represent the population. The researcher used random sampling technique to approach private hospitals from Nairobi County for their responses.

3.3.2.3 Sample Size

The sample size is a smaller set of the larger population (Cooper & Schindler, 2014). To obtain the sample size for the study, Yamane's (1967) formula was used:

$$n = N / [1 + N(e)^2]$$

Where;

n is the sample size,

N is the population sample

and e is the sampling error tolerance.

Applying an error tolerance of 5% and a population sample frame of 50 private Hospitals in Nairobi County, the sample size was 44 private hospitals.

3.4 Data Collection Methods

According to Mugenda and Mugenda (2003), data collection is defined as the collection of information from a list of respondents in order to draw a conclusion. This study used primary data that was collected through Likert scale questionnaires, Kothari (2004) describes primary data as first-hand information collected, compiled and published for some purpose. The structured questionnaires had close ended questions.

3.5 Research Procedures

Kombo and Tromp (2009) states that data collection is important in research because it allows for dissemination of accurate information and development of meaningful programmes. The questionnaires will be self-administered. The researcher informed the respondents that the instruments being administered were for research purpose only and the response from the respondents would be kept confidential. The researcher obtained an introductory letter from the University to collect data from the field and then personally delivered the questionnaires to the respondents to be filled in and then collected later. The drop and pick later method was used in the study. Before the actual field data collection, a pilot test was conducted on the questionnaire. According to Macky and Gass (2005) the point of carrying out a pilot study is to test-often to revise and finalize the materials and the methods.

3.6 Data Analysis Methods

According to Zikmund et al., (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. According to Hyndman (2008), data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure. To determine the patterns revealed in the data collected regarding the selected variables, data analysis was guided by the research questions of the research and the measurement of the data collected. The quantitative data obtained through questionnaires were keyed into statistical computer software for analysis. The software was used to generate descriptive statistics such as frequencies, regression and correlation. The data was presented in tables, pie charts and graphs.

3.7 Chapter Summary

This chapter discussed the methodology for the study, stated the research design, and method. In addition, this chapter elaborated on the population, sampling technique, tools for data collection and data analysis. This chapter is a requirement to chapter four (presentation of results) as it gives the research framework and offer results creditworthiness. The next chapter discusses research findings in relation to the research questions.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter undertook to analyze and discuss the data collected from the respondents in relation to research objectives and questions. It contains the response rate, qualitative analysis and quantitative analysis.

4.2 Demographic Information

4.2.1 Response Rate

A total of 44 questionnaires were issued out. Out of this 32 respondents returned their questionnaires. According to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% is rated very well. Based on this assertion; the response rate was at 72.73% which in this case was very good.

Table 4.1: Response Rate

Sample	Frequency	Percentage (%)
Response	32	72.73
Non – Response	12	27.27
Total	44	100

Source: Author (2017)

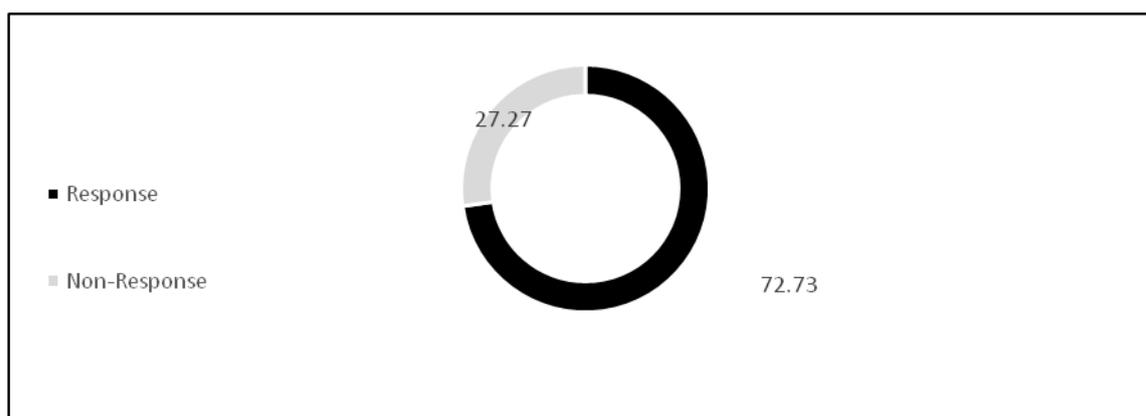


Figure 4.1: Response rate

The table 4.1 and figure 4.1 above indicates the response rate of the survey from the private hospital in Nairobi County. The results indicated that 72.73% of the 44 respondents filled and returned questionnaires while 27.27% did not respond.

4.2.2 Gender of Respondents

The study sought to determine the number of female and male employees at management position in the private hospital in Nairobi County.

Table 4.2: Gender of Respondents

	Frequency	Percentage (%)
Male	19	59.38
Female	13	40.62
Total	32	100

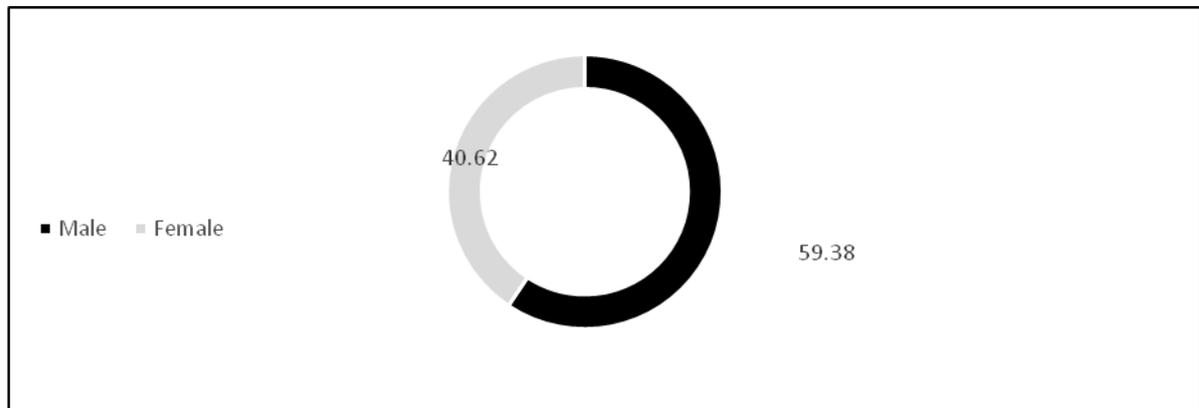


Figure 4.2: Gender of Respondents

Table 4.2 and figure 4.2 above shows the distribution of respondents by gender. From the table and figure, 59.38% of the respondents were male while 40.62% were female. The analysis shows that the private hospital sector in Nairobi adhered to the one third gender role of employment.

4.2.3 Level of Education

Table 4.3: Level of Education

	Frequency	Percentage (%)
Diploma	0	0.00
Degree	20	62.50
Masters	12	37.50
Total	32	100

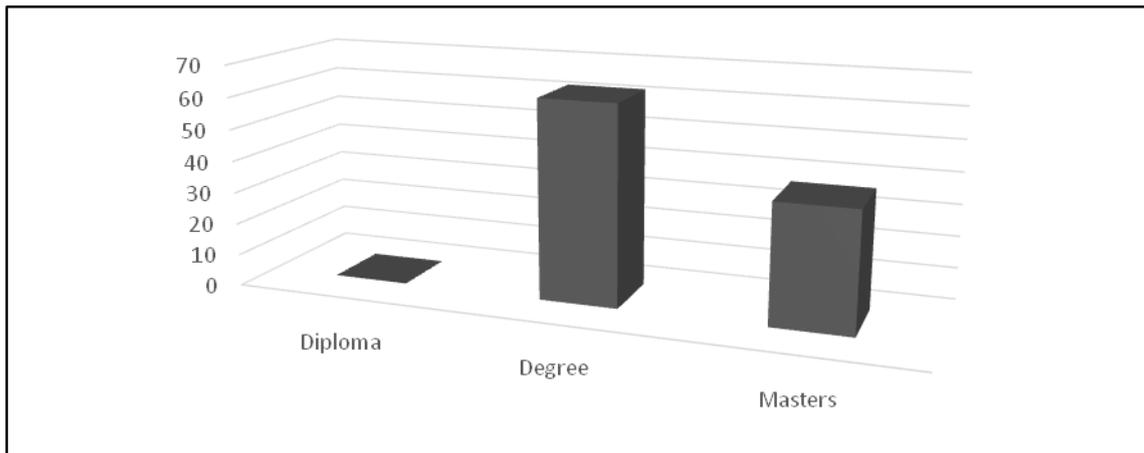


Figure 4.3: Level of Education

Table 4.3 and figure 4.3 above indicates the level of education analysis. According to the analysis 62.50% of the total respondents who were managers had degree level of education while 37.50% had Masters level education. From the analysis it can be concluded that the organization recruited most of its staff after they had completed university education. And that minimum requirement for management position was a degree level education.

4.2.4 Duration of Work

The respondents were asked to indicate the period in years they have worked in their respective hospital. The results were analyzed and presented in the table and figure below

Table 4.4: Duration of Work

	Frequency	Percentage (%)
Less than 1 year	3	9.38
2 to 5 years	11	34.38
6 to 10 years	11	34.38
Over 10 years	7	21.88
Total	32	100

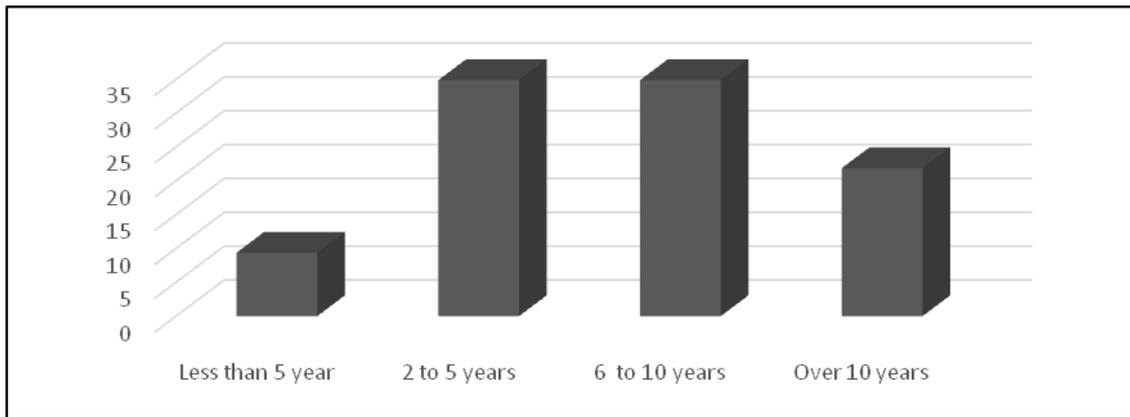


Figure 4.4: Duration of Work

From table 4.4 and Figure 4.4 majority of employees have worked with the company for a period ranging from 2 to 10 years. That is the number that worked between 2 to 5 years was equal with the numbers of employees who had worked for a period between 5 to 10 years. This is indicated by 34.88% respectively. Those that have worked for a period of over 10 years were 21.88% while the fewest who had worked for less than 5 years were 9.383%.

4.2.5 Length of operation of the private hospital

Table 4.5: Length of operation of the private hospital

	Frequency	Percentage (%)
Less than 1 year	1	3.13
2 to 5 years	6	18.75
6 to 10 years	14	43.75
Over 10 years	10	31.25
Total	32	100

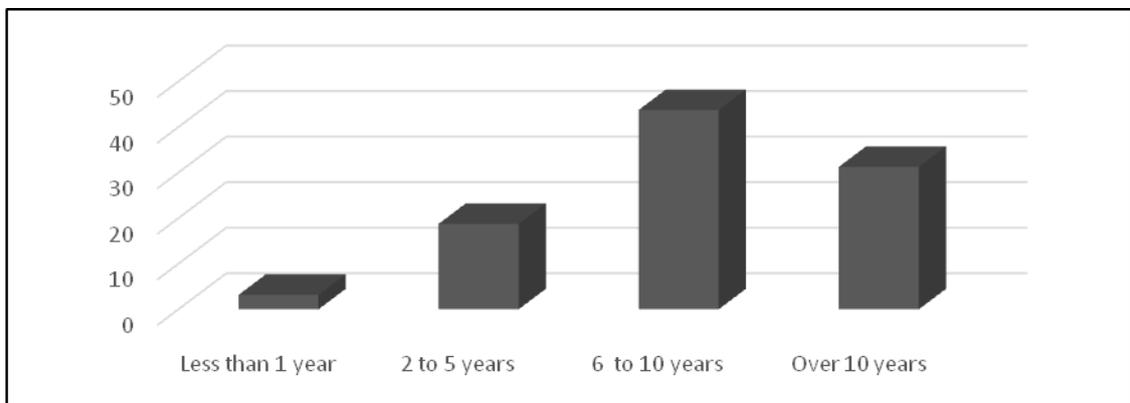


Figure 4.5 Length of operation of the private hospital

The study sought to find out the duration of private health care service in the health sector. Table 4.5 and Figure 4.5 shows that majority of respondents that is 43.75% indicated that the private hospital had been in operation for between 6 to 10 years. 31.25% indicated they had operated for over 10 years. 18.75 % indicated they have been in operation for between 2 to 5 years while 3.13% had operated for less than a year.

4.3 Internal Organization factors and strategy Implementation

This study sought to determine the effect of internal organizational factors on strategy implementation in Private Hospitals in Kenya. This was determined using Likert-scale questions. The respondents were asked about relevance of organization culture, resources, effective communication of strategy and top management level support and commitment in strategy implementation. The results obtained are presented on table 4.6

4.3.1 Organization Culture and Strategy Implementation

Organization culture is one of the internal factors considered in strategy implementation in private hospitals in Nairobi County in Kenya.

Table 4.6 Organization culture and Strategy Implementation

Internal Organization factors and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
Organization Culture	(%)	(%)	(%)	(%)	(%)
Our hospital has a culture of partnership, Team work and cooperation	0.00	6.25	25.00	56.25	12.50
We have flexible and adaptable culture to accommodate changing scenarios	0.00	3.12	15.62	65.62	15.62
Our hospital has a positive value system that employees understand and believe in	0.00	0.00	6.25	78.12	15.62

According to the study 56.25% of the respondents agreed that their employer had culture of teamwork and partnership and cooperation. 12.50% strongly agreed that culture of partnership, teamwork and cooperation was present while 6.25% and 25.00% respectively disagreed and were neutral on the same. 6.62% agreed that the hospital they worked in had a flexible and adaptable culture with regard to changing scenario. 15.625% strongly

agreed while 15.62% were neutral on the same, however, 3.12% of the respondents disagreed on that. The study also showed that having positive value system that employees understand and believe in affects strategy implementation. On this, 78.12% of respondents agreed that in deed the hospital had a positive value system that employees understand and believe in. 15.62% strongly agreed while 6.25% were neutral on whether the hospital had a positive value system that employees understood and believed in.

4.3.2 Organization Resources and Strategy Implementation

Table 4.7 Organization Resources and Strategy Implementation

Organization Resources and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Our hospital has resources or capabilities to go after a bigger piece of the total market share in health care industry.	0.00	3.12	6.25	78.12	12.50
Our hospital has adequate funds to enable it achieve its strategic objectives	0.00	3.12	28.12	65.62	3.12
We have skilled and experienced personnel in all departments	0.00	0.00	9.38	75.00	15.62

Another internal factor to consider was Organization resources, from the study findings 78.12% of the respondents agreed that their employer had resources and capabilities to go after a bigger piece of the total market share in health care industry. 6.25% were neutral on the same while 12.50 strongly agreed that in deed their employer had resources and capabilities to go after a bigger piece of the total market share. 3.12% disagreed. On whether their hospital had adequate funds to enable it to achieve its strategic objectives 65.62% agreed, 3.12% strongly agreed while 28.12% were neutral on the same. 3.12% disagreed that the hospital had adequate funds to enable it to achieve its strategic objectives. On whether the hospital had skilled and experienced personnel majority of respondents that is 75.00% were in agreement that in deed the hospital they worked in had skilled and experienced personnel. 9.38% were neutral on the same while 15.61% strongly agreed.

4.3.3 Top level management support and commitment and Strategy Implementation

Table 4.8 Top level management support and commitment and Strategy Implementation

Top level management support and commitment and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Our top management is committed in successful strategy implementation.	0.00	3.12	12.50	65.62	18.75
Top management provide long term purpose and strategic direction for the hospital	0.00	0.00	12.50	78.12	9.38
Our hospital management values its employees	0.00	0.00	9.38	78.12	24.1.50

Top level management support is also another important factor in strategy implementation. According to this study 65.62% of the respondents agreed that their top management was committed to ensure successful strategy implementation. While 18.75% and 3.12% represented those that strongly agreed and disagreed respectively. 12.50% remained neutral. On whether top management provided long term purpose and strategic direction for the hospital 78.12% of the respondents agreed, 9.38% strongly agreed while 12.50% were neutral on whether top management provided long term purpose and strategic direction for the hospital. Majority on the respondents that is 78.12% agreed that their hospital management valued its employees. While 12.50% strongly agreed, 9.38% disagreed.

4.3.4 Effective communication of the strategy and Strategy Implementation

Table 4.9 Effective communication of the strategy and Strategy Implementation

Effective communication of the strategy and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Our hospital adequately communicates changes in process, systems and structure in a timely manner	0.00	0.00	12.50	75.00	12.50
There is ease of access to management through open and supportive line of communication	0.00	3.12	12.50	68.75	15.62
Employees are kept informed on matters important to them	0.00	0.00	12.50	78.12	9.38

According to this study effective communication was also found to have an effect on the success rate of strategy implementation. On whether private hospitals adequately communicated changes in process, systems and structure in a timely manner to staff, 75.00% of the respondents agreed that in deed there was timely communication. 12.50% strongly agreed and while 12.50% of the respondents were not sure if it is timely. Respondents indicated that there was ease of access to management through open and supportive line of communication. According to the study 68.75% agreed, 15.62% strongly agreed, while 12.50% were neutral and 3.12% disagreed. In terms of whether employees were kept informed on matters important to them, 78.12% of the respondents agreed that it was key to be kept informed on matters important to them, however, 12.50% remained neutral while 9.38% strongly agreed. From this research it is evident that while all these factors affecting the strategy implementation, it is therefore important that a private hospital cannot afford to ignore any of these factors classified into internal organization factors if it intends to ensure that the success rate of strategy implementation goes up.

4.4 Industrial Forces and Strategy Implementation

The study sought to establish how industrial forces affect strategy implementation in Private Hospitals in Kenya. Industrial forces such as barriers to entry, rivalry among existing competitors, threats of substitute's products and bargaining power of suppliers and buyers. Were found to influence strategy implementation in private hospitals in Kenya; this was measured using Likert scale questions. The results obtained are presented on the tables below.

4.4.1 Barriers of Entry and strategy implementation

Table 4.10: Barriers of Entry and strategy implementation

Barriers of Entry and strategy implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Entry of new hospitals in the market affects our market share in the industry	0.00	3.12	15.62	62.56	18.75
Our hospital brand is well recognized in the market	0.00	0.00	6.25	78.12	15.62
It is easy to get licences to set up a hospital	0.00	6.25	9.38	68.75	15.62
Setting up a hospital requires a huge capital outlay	0.00	3.12	43.75	37.50	15.62

Table 4.10 reveals that industrial forces have an effect on strategy implementation. From the table, 15.62% of the respondents were neutral on whether entry of new hospitals in the market affected their market share in the industry, 62.50% agreed that it indeed affected, 18.75% strongly agree while 3.12% disagreed. When asked about whether the private hospital's brand was well recognized in the market majority of respondents indicated by 78.12% agreed that the hospital's brand was well recognized in the market while 6.25% remained neutral on the same and 15.62% strongly agreeing that in deed it was recognized. On whether it was easy to for private hospitals to get licences to set up a hospital majority of respondents 68.75% agreed it was easy to for private hospitals to get licences to set up a hospital while 9.38% indicated neutrality to the question. 15.62% strongly agreed that the private hospitals had it easy licences to start operation. However, 6.82% disagreed that the private hospitals did not find it easy to get licence of operation.

Setting up a hospital requires a huge capital outlay, according to the study 43.75% were neutral on that while 37.50% agreed that huge capital outlay was a requirement to set up a hospital. 15.62% strongly agreed while 3.12% disagreed.

4.4.2 Bargaining power of suppliers and buyers and strategy implementation

Table 4.11 Bargaining power of suppliers and buyers and strategy implementation

Bargaining power of suppliers and buyers and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Major suppliers can increase prices without warning	6.25	50.00	25.00	12.50	6.25
Our hospital buys from medical suppliers in large scale thus obtaining large discount.	0.00	0.00	6.25	75.00	18.75
It is easy to change our major suppliers of drugs and surgical items	0.00	12.50	18.75	56.25	12.50

From the table, it is clearly indicated that bargaining power of suppliers and buyers was significant in strategy implementation. From the study it is indicated that major suppliers did not increase prices without warning. 50.00% of the respondents disagreed that major suppliers increased prices without notifying the hospital. 6.25% strongly disagreed on the same while 25.00% remained neutral. However, 12.50% and 6.25% agreed and strongly agreed. On whether the hospital bought medical supplies from suppliers in large scale to obtain large discount, 75.00% of respondents were in agreement while 18.75% strongly agreed. 6.25% were not sure whether their hospitals bought from our suppliers in large scale to obtain large discount. The study also revealed that private hospital found it easy to change major medical suppliers of drugs and surgical items, majority of respondents 56.25% agreed that they found it easy to change major medical suppliers of drugs and surgical items while 18.75% indicated neutrality to the question. 12.50% strongly agreed and 12.50% disagreed that the hospital found it easy to change major medical suppliers of drugs and surgical items.

4.4.3 Threat of Substitute Products and strategy implementation

Table 4.12 Threat of Substitute Products and strategy implementation

Threat of Substitute Products and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Threat of substitute products ensures our hospital adopts competitive pricing that ranges with competitor's pricing	0.00	3.12	15.62	71.88	9.38
Presence of alternative treatment therapies such as traditional healthcare or herbal medicines affects our market share	0.00	0.00	12.50	75.00	12.50
Our hospital advertises a lot to achieve a competitive advantage in market.	0.00	0.00	6.25	84.38	9.38

Threat of Substitute Products in industry was also found to have an influence in strategy implementation. According to the study threat of substitute products ensured private hospital adopted competitive pricing strategies that ranged with other competitor's pricing. According to this study 71.88% of the respondents agreed that private hospitals adopted competitive pricing strategies that ranged with other competitor's. While 9.38% and 15.62% represented those that strongly agreed and were not sure respectively. However, 3.12 disagreed that private hospital adopted competitive pricing strategies that ranged with other competitor's pricing. On whether presence of alternative treatment therapies such as traditional healthcare or herbal medicines affected their market share. 75.00% of the respondents agreed, 12.50% strongly agreed while 12.50% were neutral on whether presence of alternative treatment therapies such as traditional healthcare or herbal medicines affected their market shares. Majority on the respondents that is 84.38% agreed that private hospital advertises a lot to achieve a competitive advantage in the market. 9.38% strongly agreed, while 6.25% were not sure on whether private hospitals advertised a lot to achieve a competitive advantage in market.

4.4.4 Rivalry among existing competitors in the industry and strategy implementation

Table 4.13 Rivalry among existing competitors in the industry and strategy implementation

Rivalry among existing competitors in the industry and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Our hospital aims to achieve competitive advantage by improving the quality of service offered	0.00	0.00	3.12	68.75	28.12
Our hospital has discounted its price to attract more patients	0.00	0.00	9.38	68.75	21.88
Our hospital achieves growth by introducing new products	0.00	0.00	12.50	71.88	15.62

According to this study, rivalry among existing competitors in the industry was also found to have an effect on the success rate of strategy implementation. On the question of whether private hospital aim to achieve competitive advantage by improving the quality of service offered, 68.75% of the respondents were on agreement that in deed hospitals had improved their service delivery to achieve competitive advantage. On whether the hospitals had discounted their price to attract more patients 68.75% of the respondents agreed, 21.88% of the respondents strongly agreed, while 9.38 % were neutral on that. Respondents indicated private hospital achieved growth through introduction of new products. Results on the question whether private hospital achieved growth through introduction of new products indicated that majority were in agreement that is 71.88% of the respondents were in agreement, 15.62% strongly agreed that private hospital achieved growth through introduction of new products. However, 12.50% were not sure whether private hospitals had achieved growth through introduction of new products.

4.5 Government regulation and Strategy Implementation

The research also sought to determine the extent at which government regulations affected strategy implementation in private hospitals in Nairobi County in Kenya. Based on Taxes, Labor laws and government licensing, respondents were asked to indicate their level of agreement on whether government regulation affected strategy implementation. Likert scale questions was used and results presented in tables below

4.5.1 Labour Laws and strategy implementation

Table 4.14 Labour Laws and strategy implementation

Government regulation and Strategy Implementation (N=32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
Labour Laws	(%)	(%)	(%)	(%)	(%)
Our hospital is aware of the labor laws in Kenya and ensures compliance to the laws	0.00	0.00	18.75	65.62	15.62
Compliance to labour laws in hospitals is a challenge and requires a lot of resources	6.25	25.00	28.12	37.50	0.00
Labour laws protect our employees and they have a right to unionize and collectively bargain	0.00	0.00	9.38	62.50	28.12

According to this study, government regulation is important in ensuring that strategy implementation is successfully achieved. Respondents were asked if hospitals were aware of the labor laws in Kenya and ensured compliance to the laws. 65.62% of the respondents agreed that the hospitals were aware of labor laws, 15.62% strongly agreed and while 18.75% of the respondents were not sure in deed private hospitals were aware to of the labor laws and consequently if they complied. On whether compliance to labour laws in private hospitals was a challenge and required a lot of resources. The study found that 37.50% agreed that compliance was a challenge and that it needed more resources, on the same not 3.12% strongly agreed while 28.12% were not sure if indeed compliance was a challenge or not. 25.00% disagreed that it was challenge and that hospitals did not require a lot of resources to be compliant, 6.25% strongly disagreed. In terms of whether labour laws protect employees and that employees have a right to unionize and collectively bargain. Majority of the respondents that is 62.50% were in agreement that labour laws

protected them and that they had the right to unionize. 28.12% strongly agreed while 9.38 were not sure.

4.5.2 Taxes and strategy implementation

Table 4.15 Taxes and strategy implementation

Taxes and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Our hospital benefits from tax incentives such as tax exemption by the government	15.62	53.12	25.00	9.85	6.25
Tax incentives encourage more healthcare operators to set up business.	0.00	0.00	9.38	68.75	25.88
Taxes levied on our hospital affects potential growth of profit margins.	0.00	0.00	15.62	75.00	9.38

Tax as a government regulation tool has also been found to influence strategic decisions in private hospitals. Respondents were asked whether private hospitals benefited from tax incentives by the government. Majority of the respondents represented by 53.12% disagreed that private hospitals benefited from tax incentives from the government. 25.00% were not sure if indeed government gave them tax incentives while 15.62% strongly disagreed that private hospitals benefited, only 6.25% agreed that in deed private hospitals benefited from government tax incentives. The study also revealed that tax incentives encouraged more healthcare operators to set up business. 68.75% of the private hospital employees were in agreement, 21.88% strongly agreed while 9.38% remained neutral on whether tax incentive had an effect allowing more healthcare operators to set up business. When asked whether Taxes levied on our hospital affected potential growth of profit margins 75.00% of the respondents agreed that taxes levied on private hospitals were high and thus causing profit margins to dwindle. 9.38% strongly agreed on the same while 15.62% remained neutral.

4.5.3 Licensing and strategy implementation

Table 4.16 Licensing and strategy implementation

Licensing and Strategy Implementation (N = 32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	(%)	(%)	(%)	(%)	(%)
Our hospital complies with regulatory requirements in all its operations.	0.00	9.38	12.50	68.75	9.38
Through licensing, the government dictates who operates in the healthcare industry	0.00	0.00	9.38	65.62	25.00
Licensing requirements ensure our hospital offers services at the approved standards.	0.00	0.00	6.25	68.75	25.00

From the table, it is clearly indicated that private hospitals complied with government regulatory requirements in all its operations. 68.75% of the respondents agreed that private hospitals complied with regulatory requirements in all of their operations. 9.38% strongly agreed on the same while 9.38% disagreed and 12.50% remained neutral. On whether the government through licensing dictates who operates in the healthcare industry, 65.62% of respondents were in agreement, 25.00% strongly agreed while 9.38% were not sure whether the government dictated who operated in the healthcare industry. Majority of respondents that is 68.75% agreed to the question that licensing requirements ensured private hospital offered services at the approved service standards. 25.00% strongly agreed while 6.25% were not sure.

4.6 Effective Strategy Implementation in organization

Effective Strategy implementation is a concern in many organizations. Previous research has shown that companies have low success rate in strategy implementation. This study sought to establish the significance of short term objectives, functional tactics and personnel empowerment in ensuring effective strategy implementation in private hospital in Nairobi County in Kenya. The results obtained are presented on tables below.

4.6.1 Short term Objectives and Strategy Implementation

Table 4.17 Short term Objectives and strategy implementation

Table 4.17 below reveals that effective Strategy Implementation can be achieved by private hospitals if they are able to derive SMART short-term objectives.

Effective Strategy Implementation in organization performance (N=32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
Short term Objectives	(%)	(%)	(%)	(%)	(%)
Our hospital has defined clearly what it hopes to achieve in annually.	0.00	0.00	9.38	62.50	28.12
Employees have defined roles and responsibilities that are aligned to the hospital's mission and vision.	0.00	0.00	9.38	68.75	21.88

From the table, on whether private hospitals had clearly defined what it hoped to achieve in annually. 62.50% of the respondents were agreement, 28.12% strongly agreed that they indeed they had clearly defined their short-term objectives. Only 9.38% were not sure whether they had clearly defined what they hoped to achieve in a year. On whether the private hospital ensured that employees have defined roles and responsibilities are aligned to the hospital's mission and vision, 68.75% agreed that it indeed employees had defined roles and responsibilities are aligned to the hospital's mission and vision. 21.88% of the respondents strongly agreed while 9.38% were neutral.

4.6.2 Functional Tactics and Strategy Implementation

Table 4.18: Functional Tactics and strategy implementation

Effective Strategy Implementation in organization performance (N=32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
Functional Tactics	(%)	(%)	(%)	(%)	(%)
Routine patient satisfaction surveys are carried out to enable evaluation of service offered	0.00	0.00	9.38	75.00	15.62
Staff meetings are regularly held to discuss progress made in attainment of objectives	0.00	0.0	3.12	71.88	25.00

Table 4.18 above also shows that functional tactics in private hospital are very significant when it comes to effective strategy implementation. When employees from the private hospital in Nairobi County were asked if functional tactics such as quarterly patient satisfaction survey on how to improve patient experience were critical in strategy implementation, majority of respondents that is 75.00% agreed that private hospitals held routine patient satisfaction surveys to evaluate their service. 15.62% strongly agreed while 9.38% were not sure of the same. According to the study 71.88% were on agreement that private hospitals in Nairobi held regular staff meetings to discuss about the progress they have made in attainment of their objectives.25.00% strongly agreed while 3.12% were not sure.

4.6.3 Personnel empowerment and Strategy Implementation

The study also showed that personnel empowerment was effective in ensuring the success rate of strategy implementation goes up. From the Table 4.19 below majority of respondents that is 71.88% indicated that private hospital had policies that ensured that employees handled their activities uniformly.6.25% strongly agreed that in deed private hospitals had policies to ensure standardized operation.

However, 9.38% were not sure while 12.50 disagreeing. On whether the private hospitals empowered its employees through effective incentive programs and trainings, 65.25% were in agreement, 25.00% strongly disagreed while 9.38% were not sure.

Table 4.19: Personnel empowerment and strategy implementation

Effective Strategy Implementation in organization performance (N=32)	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
Personnel empowerment	(%)	(%)	(%)	(%)	(%)
Our employees are empowered through effective incentive programs and trainings.	0.00	12.50	9.38	71.88	6.25
Our hospital has policies that ensure uniform handling of activities	0.00	0.00	9.38	65.25	25.00

4.7 Inferential statistics

Inferential statistics are presented through correlation and regression analysis. The data presented above on the environmental factors affecting strategy implementation in private hospitals in Nairobi County, Kenya were computed into single variables per factor by obtaining the averages of each factor.

4.7.1 Correlation between environmental factors and strategy implementation

Pearson's correlation was computed at 5% significant level and 95% confidence interval 2-tailed. The study found that, there is a positive relationship between strategy implementation and internal organizational factors, industrial forces and government regulation of magnitude 0.461, 0.387 and 0.341 respectively. With internal organizational factors having the strongest positive relationship.

The table 4.20 below depicts a correlation matrix between environmental factors (internal organizational factors, industrial forces and government regulation) and strategy implementation.

Table 4.20 Pearson Correlation

	Strategy Implementation	Internal organization factors	Industrial forces	Government regulation
Strategy implementation				
(r)	1			
(p) (2 tailed)				
Internal Organization factors				
(r)	0.461	1		
(p) (2 tailed)	0.042			
Industrial Forces				
(r)	0.387	0.147	1	
(p) (2 tailed)	0.036	0.043		
Government regulation				
(r)	0.341	0.148	0.118	1
(p) (2 tailed)	0.034	0.041	0.046	

All environmental factors were significant with internal organization factors being the most significant factor followed by government regulation while industrial forces were the least significant in strategy implementation. From table 4.20 All environmental factors had a significant p-value ($p < 0.05$) at 95% confidence level. The significance values of internal organizational factors, industrial forces and government regulation were 0.042, 0.036 and 0.034 respectively.

4.7.2 Regressing environmental factors with strategy implementation

In determining the effects of environmental factors on strategy implementation in private hospitals in Nairobi County, Kenya, the study conducted multiple regression analysis to determine the nature of relationship between the variables. The study applied a statistical computer package to code, enter and compute the measurements of the multiple regressions for the study. The regression model specification was as follows;

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where; Y = Strategy implementation

X1= Internal organization factors,

X2= Industrial Forces,

X3= Government regulation,

a = constant

β_1 - β_3 = beta coefficients

e= error term

The findings are presented in the tables below;

Table 4.21: Model summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.502 ^a	.252	.237		0.001009

The three independent variables that were studied, explain 25.2% of variance in strategy implementation as represented by the R square. This depicts that holding other factors constant, internal organization factors, industrial forces and government regulation affect strategy implementation in private hospitals in Nairobi County, Kenya to a big extent (25.2%). Therefore, further research should be conducted to investigate other factors that influence strategy implementation in private hospitals in Nairobi County, other than the three environmental factors in this study.

Table 4.22: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig
1	Regression	66.15	3	22.05	9.475	.0031
	Residual	44.23	19	2.327		
	Total	110.38	22			

a. Predictors: (Constant), Internal organization factors, Industrial forces, and government regulation.

b. Dependent Variable: Strategy implementation

The significance value is 0.0031 which is less than 0.05 thus the model is statistically significant in predicting how the environmental factors (Internal organization factors, Industrial forces and government) affect strategy implementation in private hospitals in Nairobi County, Kenya. The F critical at 5% level of significance was 2.327. Since F calculated is greater than the F critical (value = 9.475), this shows that the overall model was significant.

Table 4.23 Coefficient of Determination

Model	Unstandardized		Standardized	T	Sig.
	Coefficients				
	B	Std. Error	Beta		
1 (constant)	3.276	0.826		3.61	.000
Internal organization factors	0.231	0.864	0.219	8.41	.000
Industrial forces	0.196	0.682	0.042	4.56	.000
Government regulation	0.285	0.682	0.142	4.56	.000

From the regression findings, the substitution of the equation

$$(Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e)$$

$$\text{becomes: } Y = 3.276 + 0.231 X_1 + 0.196 X_2 + 0.285 X_3 + e$$

According to the equation, taking the three environmental factors (Internal organization factors, industrial forces and government regulation) constant at zero, strategy implementation in private hospital in Nairobi Kenya will be 3.276.

The data findings of the study also show that an increase in internal organization factors by a single digit will lead to a 0.231 increase in strategy implementation; a single digit increase industrial forces in will lead to a 0.196 increase in strategy implementation; while a unit increase in government regulation will lead to a 0.285 increase in strategy implementation in private hospitals in Nairobi County, Kenya. This infers that internal organization factors contributed the most to strategy implementation in private hospitals in Nairobi County, Kenya. At 5% level of significance and 95% level of confidence, internal organization factors, Industrial forces and government regulation were all

significant factors effective strategy implementation in private hospitals in Nairobi County, Kenya.

4.8 Chapter Summary

This chapter has presented the findings of this study. A correlation analysis revealed that there is a positive relationship between strategy implementation and internal organizational factors, industrial forces and government regulation of magnitude 0.461, 0.387 and 0.341 respectively. With internal organizational factors having the strongest positive relationship. The linear regression also depicts that internal organization factors, industrial forces and government regulation affect strategy implementation, adjusted R^2 of (0.252). The next chapter presents study discussions, conclusion, and recommendations.

CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary discussion of the findings, by comparing current findings with the literature reviewed as well as with past studies findings. The chapter also presents conclusion and recommendations of the study.

5.2 Summary of the Study

The main purpose of this study was to evaluate the effects of environmental factors on strategy implementation in private hospitals in Nairobi County Kenya. The research questions of the study included: What is the effect of internal organizational factors on strategy implementation in Private Hospitals in Kenya? How do industrial forces affect strategy implementation in Private Hospitals in Kenya? And To what extent do government regulations affect strategy implementation in Private Hospitals in Kenya?

The study developed structured questionnaires so as to be able to collect the primary data. These questionnaires were pilot tested before they were fully disbursed to the respondents. The sample size of the study was 44 employees in the 50 private hospitals in Nairobi County in Kenya. The study used primary data and thereafter quantitative data was obtained through questionnaires, data was prepared for analysis coded, categorized and keyed into statistical computer software for analysis. The data was analyzed quantitatively where it provided an appropriate analysis that was then used in the preparation of frequency tables.

The study revealed that strategy implementation in private hospitals in Kenya was affected by a number of internal organization factors. These included the organization culture, organization resources, top management support and commitment as well as effective communication of the strategy. The study indicated that indeed all the internal organization factors affected strategy implementation.

The study also found that industrial forces in private hospitals in Nairobi County affected strategy implementation. These forces included: barriers of entry, bargaining power of suppliers and buyers, threat of Substitute Products and rivalry among existing competitors in the private hospital in Nairobi County. Results of the study indicated that indeed all the

industrial forces affected strategy implementation private hospitals in Nairobi County in Kenya

Finally, the study revealed that government regulation affected strategy implementation private hospitals in Nairobi County in Kenya. Government regulations included: growth rates, first mover advantage and finally market positioning. Labour laws, taxes and licensing. The study also gave an indication that in deed government regulation affected strategy implementation in private hospitals in Nairobi County in Kenya.

The study showed that environmental factors of organization affect strategy implementation and that they play a vital role in the success rate of the strategy implementation. The study therefore recommends for hospitals to ensure success in strategy implementation, it should ensure it has adequate resources and that organization culture is aligned to the mission and vision of the hospital. Top level management support and commitment should be available and the strategy should be communicated effectively to all employees. The study also recommends that private hospitals need to look at industrial forces aspects such as barrier to entry, threats of substitute products, and rivalry among competitors as issues to be looked at when implementing a strategy. Further, the study recommends that government regulation is vital since it ensures private hospitals comply with labour laws and taxation laws. The government also through licensing so that the policies a fair playing field for all private hospitals as well remove any barrier to effective strategy implementation when it comes to the operations of private hospitals.

5.3 Discussion

5.3.1 Internal Organization factors and Strategy Implementation

The research confirmed literature assertions that internal organization factors affected strategy implementation. The study results revealed a positive relationship between internal organizational factors and strategy implementation of magnitude 0.461. The data findings also indicated that internal organization factors contributed the most to strategy implementation in private hospitals with a regression coefficient of 0.231

The findings of the study showed that organizational culture affected strategy implementation, these findings supply support for the previous studies that established positive relationship between organizational culture and strategy implementation. Literature done on internal organization factors, have shown that that strategy implementation is always anchored on the organization culture and that it is an important

factor (Burnes, 2004). Noted by Aosa (2002), is that when organization culture is not compatible with an organization's strategy it could lead to resistance to change and frustrate strategic plan and implementation efforts. Mutai (2015) on strategy implementation in telecommunication industry in Kenya concluded that managers should be aware of the reality that they should account for all aspects of culture elegantly so that to apply its productive functions.

On whether private hospitals' culture needs to be flexible, adaptable and provide a sense of teamwork and cooperation, the study revealed that organization culture that is flexible adaptable and one with a sense of teamwork and cooperation highly influenced strategy implementation. This was congruent with previous literature that indicated that organizations that have such kind of culture are more likely to embrace change and create an environment that remains open to working together, providing a sense of teamwork, cooperation and communication. This provides work environment that welcomes cultural diversity and helps clarify strategy implementation. Culture within an organization has been found to provide many purposes, including to unifying members within an organization and helping them create a set of common norms or rules within an organization that employees can easily follow.

The findings indicated that organization resources influenced strategy implementation to a great extent. These findings affirmed literature assertions that organization resources are a crucial component in strategy implementation. If an organization does not have adequate resources it will definitely have low success rate of strategy implementation. Accordingly, Daft (2000) asserted that any organization cannot purport to be able to implement a strategy when it is not capable of doing so. It should ensure that all resources necessary is available at their disposal before engaging in strategy implementation process. Key organization resources including human resource and finance should be properly aligned to strategy implementation.

The findings showed that top level management support and commitment is a necessary component in strategy implementation. These results were consistent with other researchers who have argued that commitment and support to strategy execution is mandatory for strategy implementation, so top management should show their dedication to its successful implementation (Rap, 2004). Since implementing strategy is a management driven, therefore top-level management should be committed to strategic direction. Okumus (2003) established that the main barriers to the strategy implementation

included lack of coordination and support from the levels of management and resistance from lower levels and lack of or poor planning activities. Top managers must demonstrate their willingness to give guidance and all manner of support to the strategy implementation. It is them that determine the degrees of authority that is needed to coordinate all organizational units to successful strategy implementation.

The study found that effective communication of the strategy to all employees was significant in successful strategy implementation. The results of the study agreed with literature assertions that communication was a key success factor in strategy implementation, from the study all private hospitals indicated that two-way-communication program was present and that it committed issues and solicited questions from employees about issues regarding the strategy to be implemented. Middle level managers are found to be key actors in strategy implementation because of their pivotal role in strategic communication and the most importantly when implementing a strategy.

5.3.2 Industrial forces and Strategy Implementation

This study findings on the effect of industrial forces on strategy implementation established that industrial forces affected strategy implementation to a greater extent. These findings agreed with literature postulations that in deed Industrial forces affected strategy implementation. A Study by Elwak (2013) indicated that, industrial forces are important factors and that if not well analyzed can lead to great challenges when implementing strategic decisions. The study showed that there was a positive relationship between the industrial forces and strategy implementation of magnitude 0.387. The data findings also indicated that industrial forces contributed least to strategy implementation in private hospitals with a regression coefficient of 0.196. Thus, the study revealed that there are industrial forces affecting strategy implementation in private hospitals in Nairobi County in Kenya.

The industrial forces included Barriers of Entry, bargaining power of suppliers and buyers, threat of Substitute Products and rivalry among existing competitors in the private hospital in Nairobi County. The study findings on these industrial forces indicated that industrial forces affected strategy implementation to great extent. These confirmed Porter's (1980) assertions, Porter (1980) identified five industrial forces that organizations should be aware of in their daily undertakings, these factors are in relation to a company operating within a competitive world and they greatly determine the success rate of

strategy implementation. Porter (1998) is of the opinion that the recognition of the market signals as well as accuracy in reading of these signals is considered to be very crucial when it comes to the development of competitive strategies for any organization.

Threats of substitute products or supplier were found to have an effect on the strategy implementation. This corroborated literature assertions by Niederhut-Bollmann and Theuvsen (2008) who asserted that when organizations have similar product or service then this definitely shapes the industry forces. They add that this force would push organization to successfully implement the right strategies in order for them to remain profitable and increase their market share. From the study majority of respondents indicated that presence of traditional healthcare providers like herbal medicines affected strategy implementation. This was in agreement with literature postulations that threat of substitute products ensured that organizations' success rate in adoption of effective competition strategies high. And that private hospital spent more on advertisement costs so as to achieve a competitive advantage in market share.

The results also indicated rivalry among existing competitors in the industry affected strategy implementation in private hospitals in Nairobi. This corroborated postulations by Tavitiyaman et al., (2011), who argued that it was imperative for organizations to identify their position in the market space. They continue that this would enable them fight against the competition that threatens their strategic position before formulating and implementing organization's strategies. The study affirmed that private hospitals in Nairobi County aimed to achieve competitive advantage by improving on their service delivery through installing new health equipment. It also confirmed that private hospitals in Nairobi County had discounted their price so as to attract more patients. However, on whether private hospital had low job specification requirement to attract staff. Majority of the respondents disagreed; this meant that private hospitals in Nairobi County ensured that they had the best service from the best medical practitioners treating patients at a lower cost.

5.3.3 Government Regulations and strategy implementation

The results of the study were consistent with literature postulations. That is, indeed government regulation affected strategy implementation in private hospitals in Nairobi County in Kenya. The study has shown a positive relationship between Government regulation and strategy implementation of magnitude 0.341. The data findings also

indicated that Government regulation was the second highest contributor to strategy implementation in private hospitals with a regression coefficient of 0.285.

Factors looked into in government regulations included labour laws, Taxes and licensing. Government policies and behaviors have been cited as being critical in pricing, costing, risks and operation of business activities. It is observed that all business must comply with regulations established by national and county governments. Therefore, government actions lead to successful implementation of strategies that lead to growth as well as lead to impediments to growth through policies or regulations that may inhibit successful strategies implementation (Godfrey, 2008).

Research findings indicated that employees had much appreciation of the labour laws since it protected them and that it gave them the right to unionize and collectively bargain. Labor laws have commonly been external source of imperfections. These findings supported Deakin's (2009) argument, he opines that labour laws originate from the decisions made in the political sphere and reflect rent-seeking or distributional demands, by collective groups. Rent-seeking, as it is aimed at redistribution rather than value creation. This he argues that it imposes a deadweight loss on the economy and so constitutes a source of inefficiencies in the organization and consequently in the economy. Organizations therefore, need to ensure that they comply with the laws to prevent law suits as well as engage in collective agreements so as to reach an amicable agreement. The results also revealed that private hospitals in Nairobi County did not find it as challenge to comply with the labour laws. Private hospitals were also aware of the labor laws in Kenya and ensured compliance to them.

Findings of the study also affirmed previous research findings like Gichuki's (2015) study on tax administration reforms, he established that haphazard implementation of tax reforms may adversely affect the economy. He adds that Imposing more tax and duties than necessary on particular sector will lower the interest of investors in that sector. And similarly, tax and duty exemptions on a particular sector will trigger investment in it and may generate growth. Respondents were asked whether private hospitals benefited from tax incentives by the government. Majority of the respondents represented by 43.94% disagreed that private hospitals benefited from tax incentives from the government. That is to say government does not administer tax incentive to private hospitals. The study also revealed that tax incentive had a positive effect on strategy implementation. 68.18% of the private hospital employees were in agreement that tax incentive had an effect on strategy

implementation. When asked whether Legal stipulations though taxes caused profit margins to shrink 70.45% of the respondents agreed that legal stipulations were sometimes very expensive and thus caused profit margins to shrink.

The study findings showed that private hospitals in Nairobi County adhered to regulatory requirements in all of their operations. 72.73% of the respondents agreed that private hospitals complied with regulatory requirements in all of their operations. On whether the government mediated amongst the competing private hospital's interests, 68.18% of respondents were in agreement. Majority of respondents that is 65.15% agreed to the question that government imposed collective obligation and standards of management so that actions of one hospital or doctor did not affect others. These findings were consistent with Elwak (2013) establishments, he indicated that, government licensing is important in strategy implementation in any organization. She adds that government is tasked with coming up with sufficient legislation that guides the operations of any business.

5.4 Conclusions

From the data gathered and analyzed, this study found that environmental factors indeed affected strategy implementation in private hospital in Nairobi county.

5.4.1 Internal Organization Factors and Strategy Implementation

From to the study findings, there existed a positive relationship between internal organization factors and strategy implementation. Internal organization factors such as organizational culture, organization resource, effective communication of strategic objectives and top-level management commitment and support were all established as significant in influencing effective strategy implementation. Clearly the results of the study complement the strategy implementation model that was developed by Thompson et al. (2006). As mentioned before, it is a great course of action that includes the key internal organization's factors.

5.4.2 Industrial Forces and Strategy Implementation

The study aimed to determine the effect of industrial forces on strategy implementation in Private hospitals in Nairobi County. Results of the study, indicated a positive relationship between industrial forces and strategy implementation with a magnitude of 0.387. To this objective the study thus concludes that private hospital should buy medical products from suppliers in large scale so as to obtain large discounts and also operate with those suppliers that consults them before changing their prices since it affects the costs of

service delivery. Threat of substitute products presence of alternative treatment therapies like traditional healthcare or herbal medicines has affected strategic decisions of private hospitals on competitive pricing. Rivalry among existing competitors in the industry has forced private hospitals engage in advertisement activities reduction of prices and increasing their service delivery through introducing new products so as to obtain a competitive advantage. The study concluded that the relationship between industrial forces and strategy implementation was statistically significant.

5.4.3 Government Regulations and Strategy Implementation

From the study findings there existed a positive relationship between government regulation and strategy implementation with a magnitude of 0.341. Conclusion can be made that indeed government regulation affected strategy implementation in private hospitals in Nairobi County in Kenya. The research looked at the effect of government licensing, taxation and labor laws on operation of private hospitals in Nairobi County. Conclusion is that private hospital management need to be aware and ensure adequate resources for compliance of the labor laws in Kenya. Employees' right to unionize and collectively bargain should also be encouraged. Government regulation need to provide tax incentives such as tax exemption to private hospitals as well as levy relatively low taxes on private hospital so as not to affect growth of profit. Government should continue ensuring that health care is provided at the highest possible standards through licensing.

5.5 Recommendations

The study established that private hospitals have positioned themselves very well in regard to strategy implementation. Especially since their operation is influenced by industrial, forces and government regulation. They need to adopt policies that will enable it successfully implement strategies that will enable them also to achieve competitive advantage over competitors.

5.5.1 Recommendation for improvement

5.5.1.1 Internal organization factors and Strategy Implementation

The researcher recommends that internal organization factors that contribute to successful strategy implementation should be properly be aligned with the short term objectives, functional tactics and personnel empowerment. This should take care of any challenges that would be experienced whether it's financial inadequacy, lack of personnel and top

management commitment and effective communication failure. This would ensure the success rate of strategy implementation in private hospitals in Nairobi County goes up.

5.5.1.2 Industrial forces and Strategy Implementation

The number of private hospitals that are coming up is growing. It is therefore important for private hospital to consider Porters (1980) five industrial forces when preparing to implement strategies. A combination of elements such the hospital brand consultations with suppliers on price increases: buying of medical suppliers in large scale; advertisements and improvement of the quality of service are among tactics that should be employed during the strategy implementation process.

5.5.1.3 Government regulations and Strategy Implementation

The study recommends lobbying by the various players in the private hospital sector so as to find solutions to the various government regulations that have acted in a manner to undermine the factors such as organization resource that helps in strategy implementation.

5.5.2 Recommendation for further research

The study confined itself to private hospital in Nairobi County in Kenya and the findings may not be applicable in other private hospitals in other counties and other sectors as a result of uniqueness of the private health care sector. It is therefore recommended that the study is replicated in private hospital in other counties and other sectors to establish the effects of environmental organizational factors in strategy implementation.

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APPENDICES

Appendix I: Private hospitals in Nairobi County

1. Avenue Healthcare Ltd
2. Blessed Louis Palazzolo Health Center
3. Chiromo Lane Medical Centre
4. City Nursing Home Nairobi
5. Coptic Church Nursing
6. Divine Word Parish Health Center
7. Dorkcare Nursing Home Ltd
8. Edelvale Trust Jamaa H Hospital
9. Ediana Nursing Home
10. Emmaus Innercore Nursing Home
11. Family Health Options
12. Gertrudes Garden Children's Hospital Nbi
13. Guru Nanak Ramgarhia Sikh Hospital
14. H.H. Agakhan Hospital (Nairobi)
15. Huruma Nursing and Maternity Home
16. Kasarani Nursing and Mat. Home
17. Kayole Hospital
18. Kilimanjaro Nursing and Maternity Home
19. Lions Sight First Eye Hospital
20. Madina Hospital Limited
21. Maria Immaculate Hospital
22. Maria Mat. And Nursing Home
23. Mariakani Cottage Hospital
24. Marie Stopes Kenya Limited
25. Marura Nursing Home
26. Masaba Hospital
27. Matasia Health Clinic
28. Mater Misericordiae Hospital Nairobi
29. Melchizedek Hospital
30. Menelik Medical Center
31. Metropolitan Hospital
32. Midhill Maternity and Nursing Home
33. Mother and Child Hospital
34. Nairobi Equator Hospital

35. Nairobi Hospital
36. Nairobi South Medical Centre
37. Nairobi West Hospital
38. Nairobi Women's Hospital
39. Ngumba Center and Laboratory Services
40. Olive Tree Hospital
41. Parkroad Nursing Home (Nairobi)
42. Radent Hospital
43. S.S. League M.P Shah Hospital Nairobi
44. Samaritan Medical Services
45. South 'B' Hospital
46. St. Annes Maternity Home - Nairobi
47. St. John's Hospital Ltd
48. St.Francis Community Hospital
49. Umoja Hospital
50. Uzima Dispensary and Maternity

Source: NHIF (2015)

Appendix II: Letter of Introduction

Date.....

Dear Respondent,

RE: ACADEMIC RESEARCH PROJECT

I am a student from the United States International University, pursuing a Master in Business Administration (MBA). I am carrying out research on **“EFFECTS OF ENVIRONMENTAL FACTORS ON STRATEGY IMPLEMENTATION IN PRIVATE HOSPITALS IN NAIROBI COUNTY, KENYA”**. This is in partial fulfilment of the requirement for the degree of Masters in Business Administration at the United States International University.

Kindly take a few minutes of your time to fill in this questionnaire to the best of your knowledge.

Your co-operation will be highly appreciated.

Kind Regards,

Maria Muthai

Appendix III: Questionnaire

This questionnaire has statements regarding the effects of environmental factors on strategy implementation in private hospitals in Nairobi, Kenya. Kindly take few minutes to complete the questionnaire as guided. Your responses will be handled confidentially and ethically.

Thank you for agreeing to participate in this academic study.

SECTION A: GENERAL /DEMOGRAPHIC DATA

Kindly tick (✓) on the option that best applies to you

1. What is the name of the private hospital?.....(Optional)

2. Kindly indicate your gender: Female Male

3. What is your highest level of education?

a) Diploma

b) 1st Degree

c) Master's Degree

5. How long have you worked at this hospital?

a) Less than 5 year

b) 5 to 10 years

c) 10 to 15 years

d) Over 15 years

6. How long has the private hospital been operating in Nairobi County?

a) Less than 1 year

b) 2 to 5 years

c) 6 to 10 years

d) Over 10 years

SECTION B: INTERNAL ORGANIZATION FACTORS AND STRATEGY IMPLEMENTATION

This subsection is concerned with investigation of internal organization factors on strategy implementation in Private Hospitals in Nairobi, Kenya.

On a scale of 1-5, where 1- Strongly Disagree, 2- Disagree, 3-Neutral, 4-Agree and 5- Strongly agree, please indicate with (√)the extent to which you agree that the following

Internal Organization factors and Strategy Implementation	1	2	3	4	5
Organization Culture					
i. Our hospital has a culture of partnership, Team work and cooperation					
ii. We have flexible and adaptable culture to accommodate changing scenarios					
iii. Our hospital has a positive value system that employees understand and believe in					
Organization Resources					
iv. Our hospital has resources or capabilities to go after a bigger piece of the total market share in health care industry.					
v. Our hospital has adequate funds to enable it to achieve its strategic objectives					
vi. We have skilled and experienced personnel in all departments					
Top level management support and commitment					
vii. Our top management is committed in successful strategy implementation.					
viii. Top management provide long term purpose and strategic direction for the hospital					
ix. Our hospital management values its employees					
Effective communication of the strategy					
x. Our hospital adequately communicates changes in process, systems and structure in a timely manner					
xi. There is ease of access to management through open and supportive line of communication					
xii. Employees are kept informed on matters important to them					

SECTION B: INDUSTRIAL FORCES AND STRATEGY IMPLEMENTATION

This subsection is concerned with investigation of Industrial Forces and Strategy Implementation in Private Hospitals in Nairobi, Kenya.

On a scale of 1-5, where 1- Strongly Disagree, 2- Disagree, 3-Neutral, 4-Agree and 5- Strongly agree, please indicate with (√) the extent to which you agree that the following

2.3 Industrial Forces and Strategy Implementation	1	2	3	4	5
Barriers of Entry					
i. Entry of new hospitals in the market affects our market share in the industry					
ii. Our hospital brand is well recognized in the market					
iii. It is easy to get licences to set up a hospital					
iv. Setting up a hospital requires a huge capital outlay					
Bargaining power of suppliers and buyers					
i. Major suppliers can increase prices without warning					
ii. Our hospital buys from medical suppliers in large scale thus obtaining large discounts.					
iii. It is easy to change our major suppliers of drugs and surgical items					
Threat of Substitute Products					
iv. Threat of substitute products ensures our hospital adopts competitive pricing that ranges with competitor's pricing.					
v. Presence of alternative treatment therapies such as traditional healthcare or herbal medicines affects our market share					
vi. Our hospital advertises a lot to achieve a competitive advantage in market.					
Rivalry among existing competitors in the industry					
vii. Our hospital aims to achieve competitive advantage by improving the quality of service offered					
viii. Our hospital has discounted its price to attract more patients					
ix. Our hospital achieves growth by introducing new products					

SECTION C: GOVERNMENT REGULATIONS AND STRATEGY IMPLEMENTATION

This subsection is concerned with investigation of Industrial Forces and Strategy Implementation in Private Hospitals in Nairobi, Kenya. On a scale of 1-5, where 1- Strongly Disagree, 2- Disagree, 3-Neutral, 4-Agree and 5-Strongly agree,

Please indicate with (√) the extent to which you agree that the following

Government Regulations and strategy implementation	1	2	3	4	5
Labour Laws					
i. Our hospital is aware of the labor laws in Kenya and ensures compliance to the laws					
ii. Compliance to labour laws in hospitals is a challenge and requires a lot of resources.					
iii. Labour laws protect our employees and they have a right to unionize and collectively bargain.					
Taxes					
iv. Our hospital benefits from tax incentives by the government					
v. Tax incentives encourage more healthcare operators to set up business.					
vi. Taxes levied on our hospital affects potential growth of profit margins.					
Licensing					
vii. Our hospital complies with regulatory requirements in all its operations.					
viii. Through licensing, the government dictates who operates in the healthcare industry					
ix. Licensing requirements ensure our hospital offers services at the approved standards.					

SECTION D: EFFECTIVE STRATEGY IMPLEMENTATION IN ORGANIZATION PERFORMANCE.

This subsection is concerned with investigation of the effect of Strategy Implementation in organization performance in Private Hospitals in Nairobi, Kenya.

Using a scale of 1-5, please indicate your agreement/disagreement levels with the following statements. The rating scale indicates agreement levels as follows: 1- Strongly Agree, 2 – Agree, 3- Neither Agree nor Disagree, 4 – Disagree, 5 – Strongly Disagree

Effective strategy implementation in organization performance.	1	2	3	4	5
Short term Objectives					
i. Our hospital has defined clearly what it hopes to achieve in annually					
ii. Employees have defined roles and responsibilities that are aligned to the hospital’s mission and vision.					
Functional Tactics					
iii. Routine patient satisfaction surveys are carried out to enable evaluation of service offered					
iv. Staff meetings are regularly held to discuss progress made in attainment of objectives.					
Personnel empowerment					
v. Our hospital empowers employee through effective incentive programs and trainings.					
vi. Our hospital has policies that ensures uniform handling of activities					

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY

Appendix IV: Work plan

Activity	Month 1				Month 2				Month 3				Month 4			
	Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Topic selection & approval	■															
Supervisor appointment		■														
Produce draft proposal			■	■												
Incorporate supervisors reviews				■	■	■	■									
Proposal ready for presentation							■	■								
Incorporation of panel comments									■	■						
Pilot testing of questionnaire											■					
Data collection												■	■			
Data processing and analysis													■	■		
Review of draft by supervisor														■	■	
Incorporate supervisor comments															■	■
Submit project to board of postgraduate studies																■

Appendix V: Estimated Research Budget

TASK/ACTIVITY	COST(Ksh)	COST DESCRIPTION & JUSTIFICATION
Pilot Testing of questionnaire	1000	2 research assistants at 500/= per day for 1 man days
Questionnaire printing & photocopying	1,400	6 page questionnaire at 5/= for 44 respondents
Field data collection	5,000	2 research assistants at 2500/= each
Data sorting, coding & input	5,000	2 research assistants at 2500/= each
Printing & binding thesis report	3,000	3 copies of 100 pages project at 5/= plus binding at 500/= per copy
Local Travelling for data collection	2,000	For research assistants
Contingency budget	10,000	To cater for any unprecedented research activities that may present themselves
Total Budget	27,400	