

IMPLEMENTING STRATEGIC PLANNING IN PRIVATE HEALTH INSTITUTIONS IN KENYA: CHALLENGES AND REALITIES

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Abstract

Most private health institutions in Kenya operate according to policy framework of the ministry of Health's strategic plan. Individual Trust and Private Hospitals are expected to develop plans as to how they will implement the directions from either the ministry or their own strategic plan or both. Like public health sector, private health sector has experienced moments of congestions rendering its employees inefficient in delivering services. This research sought to find out the challenges faced by private health institutions in implementing strategic plans. Data was collected from 138 employees. Data was obtained using structured questionnaires and interview schedules. The research utilized the Case study design. The findings showed that private health sector in Kenya face a lot of challenges in implementing strategic planning. Among these are: financial constraints, high staff turnover, overdependence syndrome among the clients, lack of

modern technology, resistance at the implementation stage and poor infrastructure which have impacted negatively on employees' performance. The findings also revealed that implementing such plans is a difficult task in the presence of few and demotivated workforce and little financial and technological resources. These are the issues that should be addressed in strategic planning implementation. The findings indicated that if hospitals put in place a proper strategic plan, it will help ease such congestions and improve efficiency, which can yield tremendous benefit for the entire sector.

Keywords: Strategic planning, strategic analysis, decision making, Health institutions, Workforce, Health Systems

INTRODUCTION

Strategic planning has played a crucial role in many organizations as far as achieving objectives is concerned. Strategic planning as management tool is a key factor in ensuring success in the present business world. A competitive environment calls for strategic decision for the business to succeed. Available literature on strategic planning with regard to no-profit making institutions like NGOs and other areas like Health institutions have only laid down framework of planning without specifically relating the results of such plans with the influence it has on its implementers like employees. Most health institutions operate according to policy framework of the ministry of Health's strategic plan and Individual Trust and Private Hospitals are expected to develop plans as to how they will implement the directions from either the ministry or their own strategic plan or both.

LITERATURE REVIEW

Strategic planning

Strategic planning is often called top level planning (Hussey, 1997). It is carried out by the management or the board of directors or governing body. Strategic planning considers the long range objectives and policies of the organization and is concerned with co-operate results. It determines where an organization is going over the next year or more, how it is going to get there and how it will know if it got there or not. The main focus of strategic plan, therefore, is on the entire organization. A part from ensuring effective use of the organizations' resources in priority areas, defining the purpose of the organization and establishing realistic goals and objectives consistent with mission in a defined time frame within the organizations capacity, the implementation will provide a base from which progress can be measured and establish a mechanism for informed change when needed (Carter, 1997).

It has been argued that clarifying the mission of the corporation is the first task in the strategic planning process (Rama & Namakumari, 1999). Development of the strategic plan then greatly helps to clarify the organizations' plans. Strategic plans come in a wide variety of formats, depending on the nature and needs of the organizations.

Terry, (op cit) argues that strategic planning seeks to obtain a consensus among the top people of an organization about the overall direction of the organization over the medium to long term. This consultative approach to strategic planning is important in determining organization's strategic direction (mission, vision and values), determining organizations strategic analysis to determine its current issues and goals, and determining the strategies needed to address the issues and meet the goals.

In a nutshell, strategic planning is a series of small moves that together keep organization doing things as right as it heads in the right direction. Most scholars have viewed strategic planning as taking the following stages. (Hussey, op cit, Ansoff, et al 1993, Rama & Namakumari, op cit). Strategic planning covers the following aspects:

Strategy formulation

Strategy formulation is "the process that is used to assess or reassess the organization's mission, philosophy, and goals and to develop plans to achieve the organization's goals and objectives consistent with its mission and philosophy" (Shortell, S. M., Morrison, E. M., & Robbins, S. (1985). Strategy content encompasses the actions and tactics that compose an organization's strategy and includes corporate, business, and functional level strategies. Prominent in health sector's strategic planning during the formulation stage are: Strategic analysis, strategic decision and Strategic flexibility which should be linked to time in as an important resource in health sector.

a) Strategic analysis

Here environmental scan and SWOT analysis is conducted. Strategic analysis is the heart of the strategic planning process and should not be ignored. (Carter, op cit). Theoretically, analysis is an objective, rational process divorced from the behavioral influences. (Mc Hugh, et al 1993). Environmental analysis can be used to stimulate a creative process and to test the ideas that emerge (Ohmae, 1983). Analyses of the external and internal environment has been seen as essential steps before laying down a detailed plan since better decisions may be achieved through a thorough understanding of the situation. (Ho, 1997). The business environment of a firm is essentially its functional relationships (Oswald A. Mascarenhas, 2011).

This is where strategic thinking is exercised and strategic objectives are also set. Creative thinking and innovation are important when strategizing or setting overall

organizational goals. What the strategist does here then is to create an element of strategic fit. Chorn (1991) argues that the purpose of strategy is to align firm resources to exploit opportunities and minimize threats. This notion of strategically aligning firm resources with competitive environment underlies the concept of strategic fit. He further contends that fit is not merely a matter of accommodating contingencies but rather a strategic choice where managerial focus is on the interactions of firm resources and resource constraints in formulating a strategic plan.

According to Porter (2002), Fit locks out imitators by creating a chain that is strong as its strongest link. He argues that strategic fit among many activities is fundamental not only to competitive advantage but also to sustainability of that advantage. It is clear here that achieving fit is difficult because it requires much integration of decisions and actions across many independent subunits.

b) Strategic decisions

Quinn (op cit) looks at strategic decisions as those that determine the overall direction of an enterprise and its ultimate viability in light of the predictable, the unpredictable and the unknowable changes that may occur in its most important surrounding environment. According to Ho (op cit) strategic decision helps in strategic formulation. An understanding of strategic decisions help reinforce vital importance of two outcomes of long range planning: that of the long- term commitment of resources to particular business ventures and committing to serving needs and requirements of particular industries and Markets, failure of which affects not only Performance but total credibility of an organization. Whitehead and Finkelstein (2009) points out that all flawed decisions start with errors of judgment made by influential individuals. This assertion does not only underscore the role of decision makers in influencing strategy but also the results of a wrong decision made on the entire implementation of the strategy. The decisions on strategic planning will be influenced by several factors, growth and objective of the firm is one of them (Ramaswamy & Namakumari, op cit). For one to make decisions, business information is needed. In order to obtain quality information to make decision and comparisons, a well-organized and managed business information system is required. These are External environment, organization and competitors. Health systems should factor in internal and external forces that are likely to impact on decisions.

c) Strategic flexibility

Strategic planning is not a static and compartmentalized process, but it is an ongoing and integrated exercise. (Chary, 2004) Since organizations operate in a dynamic environment

strategic planning ought to be flexible. According to Eyre & Pettinger, (1999) the greater the uncertainties (in environment) the more important it is to plan what can be planned, and to be aware of those things that can upset the intended direction. Arguably, Strategic planning should be flexible so that modifications to accommodate dynamic changes can be made when necessary. In Harrigan's views (1985) strategic flexibility is the ability of a firm or organization to adjust to changes in the environment. Chary (op cit) postulates that organizations can adapt meaningful differentiation to counter these changes. By meaningful differentiation, the scholar means being different and superior in some aspects of the business that has value to the customer with underlying fundamental objective to serve the customer through various means. Flexibility then is seen as one of the differentiation strategy. Chary argues that an operations system should offer market flexibility through flexibilities in machinery, process, technology, implementation, men, systems and arrangements, and time utilization. He concludes that flexibility should improve the capacity (rather than the capability) for self-renewal and adoption to the changing external and internal environments. Organizations therefore should develop contingency plans to counter environmental changing conditions.

d) Time as a strategic issue

Time has always been seen to have business significance. It is duration through which the planned issues are affected.

Implementation, monitoring and evaluation

To be successful, strategic planning has to be frequently monitored, reviewed and evaluated. It has been argued that strategy and planning must be compared with performance and results so that changes, alterations and modifications can be made if necessary.

Strategy implementation generally requires a monetary investment, and all organizations are constrained by the level and cost of available capital (Drucker, 1995) Strategy implementation is concerned with aligning the organizational structure, systems and processes with the chosen strategy. It involves making decisions with regard to: developing organizations structure, selecting leadership; and establishing short- range objectives, developing budgets and developing final strategies to achieve strategy (Byars, et al 1996).

At implementation stage, review should be done. The frequency of the review depends on extent of the change in and around the organization (Ball, et al 1993). He further argued that the implementation part of strategic plan should be planned. The impression here is that, in almost every stage of strategic planning there is the planning and implementation aspect. Ball et al (ibid) identified two of the most important plan implementation facilitators that management

employs. These are: policies and procedures. He argued that policies are broad guidelines issued by upper management for assisting lower-level managers in handling recurring problems. The argument is that the object of a policy is to economize managerial time and promote consistence among the various operating units. On the other hand procedures prescribe how certain activities will be carried out and it ensures uniform action on the part of all corporate members.

Strategic evaluation and control involves standards of performance for the overall organization and its different units of functional areas (Byars, et al 1996). The scholars further argued that strategic evaluation involves monitoring progress in the execution of the organization's strategy. This is said to incorporate assessing and measuring the implementation of the strategies pursued by different units throughout the organizations; and initiating corrective actions to ensure implementation of the strategy.

Evaluation is an important part of the strategic formulation process. The information gathered is valuable for formulating further strategies in the future and reflects the effectiveness and efficiency of the present strategy. Such evaluation should be comprehensive covering lessons learned to aid in avoiding future pit falls.

THE NOTION OF HEALTH PLANNING

According to Green, A (1992) health planning like in any other organization is a spiral process and health planners have to bear in mind vital contribution other sectors can make to health development. Information regarding health activities is required and broad perspective on objectives and priorities in planning should be considered. Kanani (1987) argues that Health plan is a central element for the realization of the national health strategic priorities. The kind of strategy in a health institution is service strategy. A service strategy is based on market analysis of the service (Urvveit, 1992).Health systems are made up of a horizontal system of general services, providing prevention and care for prevailing health problems and of vertical programs for specific health conditions (WHO, 2005). Vertical programs are seen to have three components; Intervention strategy, monitoring and evaluation, and intervention delivery. Intervention strategy, and monitoring and evaluation are vertical in nature.

While intervention strategy sets out in detail how best to handle the health problems at hand, the monitoring and evaluation component follows the impact of the intervention strategy at population level and is essential to improve it continuously.

Intervention delivery does not usually occur in a vertical manner. Depending on the health system of a country and the disease or condition targeted, this component is more or less integrated in the horizontal systems. Kemm and Close (1995) have observed that in health,

planning involves assessing the health promotion needs, identifying the research available for the tasks and the barrier to be overcome, selecting priorities, setting aims and objectives, developing methods for implementation and criteria for evaluating the results of the activity. They further argued that proper planning ensures that important health problems or sectors of the population are not forgotten, that projects are not embarked on without sufficient resources to complete them and that everyone knows what they are doing and why. Within private sector, private hospitals need to plan whether to extend or not and in what areas, where staff are to come from, what charges to levy among other things.

Kanani, (op cit) came up with two broad categories of planning: Activity planning; is said to relate to the setting of monitorable time tables and schedules for the implementation of pre-set activities, and, Allocative planning; which is said to deal with the making of decisions as to how resources should be spent. According to Green, A. (op cit), allocation of resources become dynamic because of emerging diseases and seem to shift whenever a new disease emerges. In planning them proper Resource allocation criteria (RAC) should be developed. This should ensure that resources are equitably distributed.

This scenario makes planning in health institution a complex phenomenon which is always concerned with implementing decisions about change. In order to make, justify and implement these decisions, information is needed. Kanani, (1987) argues that situational analysis should be carried out. By situational analysis, it is meant an assessment of the present situation; it examines the current and projected health situation, the demographic pattern, and present and future health needs.

It looks at the general socio-economic and provision of non-health services and infrastructure. Situational analysis further analyses the infrastructure of the health sector and the pattern of services provided. This includes description of the health facilities and utilization of those services, organizational structure of the sector and its interrelationships. It also examines the current and future resources of the health sector in terms of both financial resources and real resources like personnel, equipment and building. Additionally, situational analysis will also analyze the efficiency and effectiveness of the health sector in meeting current and future health needs. It analyses the wider environment within which the health sector operates.

RESEARCH METHODOLOGY

The research utilized a Case study design and sampling was done using purposive sampling method. The research was conducted at one selected Private Mission Hospital and data was obtained from 138 respondents; the response rate was 100%. Two instruments were used to collect data in this research: questionnaire and interview schedules. The instruments were

validated before being issued to respondents. Data collected using questionnaire was synchronized with that collected using interview schedules and presented here together

ANALYSIS

Challenges Faced by the Administration in implementing SP

Since SP. deals with policy framework of institutions and organizations and looking at the previous discussion where there is a perception that SP. is more of management oriented than other employees, challenges are anticipated when it comes to implementation. All the respondents (138) issued with questionnaires and the respondents from the management confirmed that the entire hospital administration faced challenges in implementing the issues addressed by the strategic plan. The table below (1) shows some of the identified challenges that face hospital's administration as it implements the current strategic plan.

Table 1 Challenges faced by administration/management in implementing SP

Response	Frequency	Percent
Financial constraints	47	34.1
High staff turn over	24	17.4
Poverty over Dependency syndrome	32	23.2
Lack of modern technology	11	8.0
Resistance at implementation stage	24	17.4
Total	138	

From the data it can be seen that the major challenge that faced the hospital when it comes to implementation of its SP is that of financial constraints. It contributed to 34.1% of the total identified challenges. Unlike public hospitals which receives government allocations us necessary to equip and manage the hospital, private hospital's entirely depends on the management's or sponsors laid down policy of funding the hospital's daily activities.

As such the financial allocation gathers for the employees' salaries, equipment, infrastructure and other consumables like water bills, electricity bills, patients' meals, stationary and other operational services required in health sector.

In such a case the hospital management more often than not entirely operates on a tight budget with a greater percent of its finances being generated from the clients' hospitals' charges. This is a big challenge given the fact that not all the attended patients' are in a position to foot their hospitals' fees. Even more alarming is the revelation that most of the clients (Living from around the hospital have not had health insurance cover from health plan schemes like NHIF).

It was revealed from this research that there is still misconception of the term “mission” as a place where free services are given. The research showed that most clients want free medical services and that those within the hospital’s immediate environment expected employment or casual work from the hospital with the aim of getting pay so as to meet basic needs. This explains why the management and the entire hospital sees poverty dependency syndrome as the next major challenge, when it comes to implementation of its SP, constituting 23.2% of the total response of those that filled the questionnaires. The interview with the management confirms this scenario as true as the hospital tends to concentrate its activities more in its outreach programs which includes feeding program; Home based care and general health living standards. Another challenge identified was that of high staff turnover. This contributed to 17.4% of the total response. The argument postulated was that proper implementation could not be fully put in place because, most staff would leave before over seeing some plan issues come to pass. As a result, the management is forced to hire new employees who take a length of time to adjust and conceptualize the hospital’s policy frame work before putting into place.

The high staff turnover is partly attributed to the first major challenge, that of financial constraints, most employees (mostly those in the medical profession) are forced to leave for other health institutions which they consider relatively paying higher. As such the management has to grapple with employees’ salaries at an expense of overseeing other strategic issues. Related to high staff turnover is that of resistance at implementation stage (17.4%). The result of this is seen from two perspective; As pointed out earlier, employees still see strategic plan as a thing belonging to the management as a result they don’t own it and since there is little or no participatory decision making, there is that tendency to insist the implantation.

Secondly, employees are less motivated in that they tend to peck their performance to what they will earn, this is supported by the fact that a large number of them leave the institution to seek for better pay elsewhere.

Interestingly, most employees did not see technology as a major challenge. Only 8.0 % of the respondents believed that lack of modern technology is a challenge that faces hospital administration in implementation of its strategic plan. However from the response of the management, the opinion was that modern technology poses a big problem when it comes to strategic plans implementation. It was observed that most of the management issues were based on paper work. Priority was given to acquisition of equipment that is needed for service delivery for example in surgical, orthopedic and maternity and neo natal units.

These were expensive and tended to consume a lot of budgetary allocations. Despite these, the management believed at embracing new technology, specifically computerizing most departments was top on its agenda. The challenge in achieving those was still tagged on

financial constraints needed to acquire modern computers and to provide training on computer literacy to its staff.

There was also a general belief by the management that other challenges emanated from insufficient systems support like transport facilities mostly in outreach programs. This at times forced the employees to readjust their schedule and focus on urgent issues which do not only compromise the service delivery but slows the achievement of set goals.

CONCLUSIONS AND FUTURE IMPLICATIONS

The challenges undermining strategic planning implementation in private health sector in Kenya are: financial constraints, high staff turnover, overdependence syndrome among the clients who cannot foot their hospital bills, lack of modern technology, resistance at the implementation stage and poor infrastructure which have impacted negatively on employees' performance.

If the impact of strategic plan is to be wholly realized, then the management should institute mechanisms of fully implementing it in all department rather than some sections remaining without one. Full institutionalization; however piece-meal it might be may help in realizing its influence and in away will be an important tool at an evaluation stage of strategic plan. In dealing with realized challenges, it is important to involve all stakeholders, allocate funds and provide good support systems, ensure provision of incentives to employees as well as instituting and empowering departmental based planning. It is also clear that improving technology is imperative to full utilization and implantation of the hospitals' strategic plan.

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