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Effects of Strategic Planning on Performance of Healthcare Institution; a Case Study of Aga Khan Hospital Mombasa in Kenya

Bathsheba Choti

Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

Dr. Everlyne Datche

Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract:

The purpose of this study was to determine the effect of strategic planning on the performance of health institutions. The specific objectives of this study were to establish how stakeholder involvement, strategy implementation, and strategic resource allocation, affect the performance of health institutions in Kenya. The research applied causal effect design to establish the relationship between strategic planning factors and business performance. In this study, the target population was 105 permanent employees of Aga Khan Hospital, Mombasa. The study used questionnaires as the instrument throughout the research process; the researcher totally relied on the honesty and accuracy of the participants' responses. The researcher analyzed data collected from the questionnaires through the use of SPSS Version 22 which is a modern way of data analysis with a high degree of accuracy. The variables were tested using Cronbach's alpha to find the validity of the questionnaire. The findings of the research indicate that stakeholder involvement, strategy implementation, and strategic resource allocation, all affect hospital performance either singly or in combination. The researcher's conclusion was that as much as hospitals always conduct stakeholder involvement, implementation, and resource allocation, they fail when it comes to involving all levels of management because they don't do it equitably and fairly. The researcher recommended that to improve performance, hospitals can create value and grow by using stakeholder involvement, strategic plan implementation and resource allocation. Also there is need for other researchers to consider larger and different sample sets so to take into consideration the different environment in which some of them will operate.

1. Introduction

1.1. Background

Strategic planning has been used in the general business community since the mid-twentieth century. Planning, programming, and budgeting systems were introduced in the late 1940s and early 1950s but used only sparingly by business and government at that time. In the 1960s and 1970s, leading firms such as General Electric practiced strategic planning, promoting the merits of providing a framework beyond the 12-month cycle and a systematic approach to managing business units according to Palmer & Hardy (2000). Strategic planning in the 1980s and 1990s was based on corporate market planning, which emphasizes maximizing profits through identification of a market segment and development of strategies to control that segment as stated by Spiegel & Hyman (2002). An emphasis on total quality management and productivity also emerged in strategic planning in the 1980s as strategists followed the lead of Jack Welch, head of General Electric. In the twenty-first century, competitive strategy has become a prominent feature in strategic planning practices, along with a notable uptick in plans that call for alliances and mergers.

Key Performance Indicators (KPIs) are measures of performance that are used by organizations to measure how well they are performing against targets or expectations. KPIs measure performance by showing trends to demonstrate that improvements are being made over time. KPIs also measure performance by comparing results against standards or other similar organizations. This helps organizations to improve the service they provide by identifying where performance is at the desired level and also to identify where improvements are required. (Springer 2009).

An irony noted by Harmel (2005) is that most strategic planning is not strategic. He stresses that only a small portion of an industry's conventions is ever challenged and that the planning processes harness only a small amount of an organization's creative potential. He suggests that most strategy planning can be characterized as ritualistic, reductionist, extrapolative, positioning, and elitist. Instead, he says, strategic planning should be inquisitive, expansive, prescient, inventive, inclusive, and demanding. Also emphasizes that strategy making is assumed to be easy, which of course it is if organizations limit the scope of discovery, the breadth of involvement, and the amount of intellectual effort expended.

A 2006 *McKinsey Quarterly* survey of almost 800 business executives found that while three-quarters of the respondents reported that their company had a formal strategic planning process, fewer than half were satisfied with their company's approach to planning strategy. The most significant concerns focused on executing the strategy, communicating it, aligning the organization with the strategy, and measuring performance against the plan.

Despite the uncertainties about its value, strategic planning is being used frequently and is considered critical to the success of organizations. A 2003 survey by the Buttonwood Group of 225 US companies (the average company having more than 3,000 employees and \$850 million in sales) revealed that the annual strategic plan required 10.5 days of work for about 22 percent of that company's employees. The average company represented in the survey spent \$3.1 million to produce the plan by Taub (2003).

1.1.1. Strategic Planning in Health Care

Strategic planning has been an important and frequently used management tool, both inside and outside of healthcare, for decades; however, questions about its relevancy and effectiveness in that role have persisted. Healthcare organizations have used strategic planning sporadically since the 1970s, orienting it toward providing services and meeting the needs of the population. Prior to the 1970s, healthcare organizations were predominately independent and not-for-profit, and healthcare planning. According to Bellenfant and Nelson (2010) those organizations that look to the future, by planning and evolving to meet expected changes head on, will have a better chance of survival. Strategic planning has added value to hospitals that are looking for ways to protect their financial viability while adapting to the ever-changing environment around them. While Begun and Kaissi (2005) confirm that little is known about the extent to which healthcare organizations conduct formal strategic planning or how it affects performance, their study of 20 healthcare organizations indicates that strategic planning is a common and valued function. Most of the leaders at the organizations studied responded that strategic planning contributes to organizational focus, fosters stakeholder participation and commitment, and leads to achievement of strategic goals.

1.1.2. Current Situation in Kenya

According to KHSSP (2016), the Health Sector Strategic focus in Kenya is guided by the overall Vision 2030 that aims to transform Kenya into a globally competitive and prosperous country with a high quality of life by 2030 through transforming the country from a third world country into an industrialized, middle income country. Its actions are grounded in the principles of the 2010 constitution, specifically aiming to attain the right to health, and to decentralize health services management through a devolved system of Governance. This strategic focus has been defined in the Kenya Health Policy, which has elaborated the long term policy directions the Country intends to achieve in pursuit of the imperatives of the Vision 2030, and the 2010 constitution.

The Kenya Health Policy 2012 –2030 has, as a goal, 'attaining the highest possible health standards in a manner responsive to the population needs'. The policy aims to achieve this goal through supporting provision of equitable, affordable and quality health and related services at the highest attainable standards to all Kenyans. It targets to attain a level and distribution of health at a level commensurate with that of a middle income country, through attainment of specific health impact targets. The policy directions in the Kenya Health Policy are structured around Six Service Delivery outcomes, and Seven System investment orientations.

This strategic plan provides the Health Sector Medium Term focus, objectives and priorities to enable it move towards attainment of the Kenya Health Policy Directions. The Health Sector refers to all the Health and related sector actions needed to attain the Health Goals in Kenya. It is not restricted to the actions of the Health Ministry, but includes all actions in other related sectors that have an impact on health. It will guide both County and National Governments on the operational priorities they need to focus on in Health.

1.1.3. Aga Khan Hospital in Mombasa

The Aga Khan Hospital was established in early 1940's. The hospital has approximately an 80-bed facility and is part of a network of health facilities in East Africa which include clinics, and general hospitals. The hospital strives to maintain leadership in the diagnosis and treatment of disease, working with the best clinicians to extend care to the entire population of the Coast Province and its environs. The hospital offers quality, cost-effective and value-added health care.

It strives to uphold the following patient-centered values: Promote the rights of patients and their families to information, choice, empathy and dignity. Accord to all staff, employed and voluntary, fairness, respect, trust and provide them with the opportunity to participate, learn and develop. Foster equity, partnership, transparency and integrity with all who associate with it. To champion ethical practice, respect for law and value for money and compassion for all. The hospital seeks to provide high quality Integrated services with special attention to access, affordability, clinical and service excellence and patient safety to the satisfaction of all stakeholders (Aga Khan Hospital Website, 2015).

1.2 Statement of the Problem

Healthcare organizations have used strategic planning sporadically since the 1970s, orienting it toward providing services and meeting the needs of the population. Prior to the 1970s, healthcare organizations were predominately independent and not-for-profit, and healthcare planning was usually conducted on a local or regional basis by state, county, or municipal governments. Strategies usually have a major impact on the organizations performance relative to its competitors/rivals. A strategy is a set of actions/methods/ways that managers take to increase the organizations performance. If an organization achieves superior performance relative to rivals; it is said that this organization has a competitive advantage. Where organizations tend to fall short is in the execution stage, primarily due to a lack of accountability.

Many hospitals and health systems have strong strategic plans in which they outline long-term goals and tactics to reach those goals. Where organizations tend to fall short is in the execution stage. According to Swayne, Duncan, and Ginter (2008) after almost four decades of research, the effects of strategic planning on an organization's performance are still unclear. Some studies have found significant benefits from planning, although others have found no relationship, or even small negative effects.

Bellenfant and Nelson (2010) write that those organizations that look to the future, by planning and evolving to meet expected changes head on, will have a better chance of survival. Strategic planning has added value to hospitals that are looking for ways to protect their financial viability while adapting to the ever-changing environment around them. Begun and Kaissi (2005) confirm that little is known about the extent to which healthcare organizations conduct formal strategic planning or how it affects performance, their study of 20 healthcare organizations indicates that strategic planning is a common and valued function. Most of the leaders at the organizations studied responded that strategic planning contributes to organizational focus, fosters stakeholder participation and commitment, and leads to achievement of strategic goals.

A 2005 survey of 440 provider-based healthcare professionals found that strategic planning is practiced with regularity by healthcare organizations and appears to be a well-regarded process among executives (Zuckerman, 2007). Nearly 40 percent of respondents developed or updated their strategic plans annually, and another 40 percent did so every two to three years. On a five-point scale, with five being the highest rating and one the lowest, questions asking respondents to rate their strategic planning processes and outcomes received an average response of nearly four. There has not been an extensive and in-depth research on the effects of using strategic planning on the performance of health care institutions. It was on this basis that the researcher was prompted to carry out research.

1.3. Objectives

1.3.1. General Objective

The general objective for this study was to find out the effect of strategic planning on performance of health care institutions.

1.3.2. Specific Objectives

1. To determine the influence of stakeholder involvement on the performance of Aga Khan Hospital.
2. To find out the effect of strategic plan implementation on the performance of Aga Khan Hospital.
3. To establish the effect of resource allocation on the performance of Aga Khan Hospital.

1.4. Research Questions

1. What is the effect of stakeholder involvement on the performance of Aga Khan Hospital?
2. What is the effect of strategic plan implementation on the performance of Aga Khan Hospital?
3. What is the effect of resource allocation on the performance of Aga Khan Hospital?

2. Literature Review

2.1. Introduction

This chapter identifies and examines what has been said and done by other scholars in relation to strategic planning and its effects on the performance of organizations especially health care institutions. Also goes further to review researches done and documented on similar topic and the methodology used for the studies done.

2.2. Theoretical Review

2.2.1. Theories on Performance

Springer (2009) states that performance theories may be spelled out explicitly in company documents. More often, they only exist in the minds of individuals throughout the organization consciously or subconsciously. They evolve over time as the individuals observe performance and its effects throughout their careers, and they provide structure whenever these individuals assess performance, formally or informally.

Vroom's theory also referred to as Valence-Instrumentality- Expectancy Theory, explains why people choose a particular behavior to satisfy their needs. The strength of a tendency to act in a certain way depends on expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual (Blumberg & Pringle, 1982). This is to say that behavior is heavily influenced by perceptions of possible outcomes.

According to Bransford et al (2000), the Theory of Performance (TOP) develops and relates six foundational concepts to form a framework that can be used to explain performance as well as performance improvements. To perform is to produce valued results. A performer can be an individual or a group of people engaging in a collaborative effort. Developing performance is a journey, and level of performance describes location in the journey. Current level of performance depends holistically on 6 components: context, level of knowledge, levels of skills, level of identity, personal factors, and fixed factors.

Performance advancing through levels is shown in Figure 2.1 where the labels Level 1, Level 2, are used to characterize effectiveness of performance. That is, a person or organization at Level 3 is performing better than a person or organization at Level 2. As shown on the right side of the figure, performing at a higher level produces results that can be classified into categories.

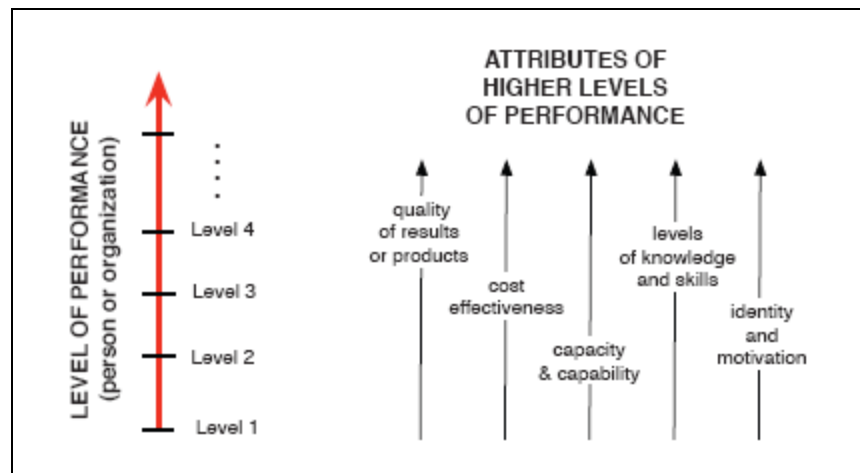


Figure 1: Theory of Performance by Bransford et al (2000)

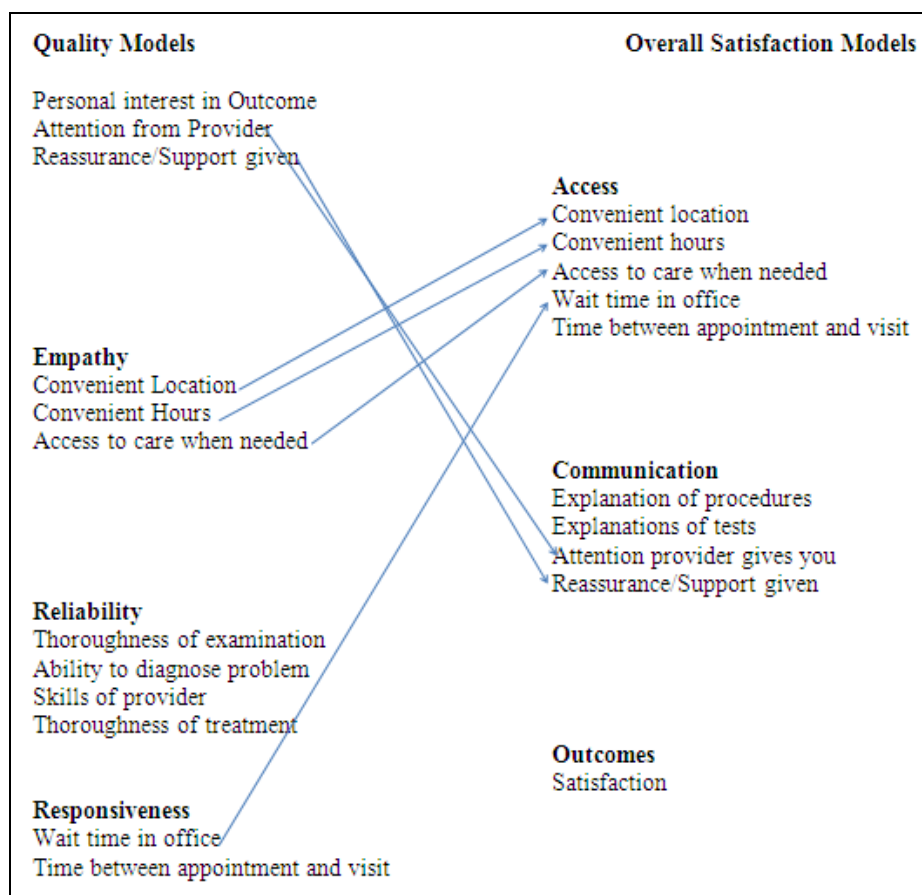


Figure 2: Cross-referenced Quality and Satisfaction Models Tucker III and Adams (2001)

The above reviewed literature demonstrates that there is no universally accepted definition of the term quality of health care. The literature indicates that the concept of quality may vary from one individual to another but it is multidimensional. The literature also demonstrates that it is possible to measure quality from the perspective of the patient.

2.2.2. Theories on Strategic Planning

Bellenfant and Nelson (2010) notes that those organizations that look to the future, by planning and evolving to meet expected changes head on, will have a better chance of survival. Strategic planning has added value to hospitals that are looking for ways to protect their financial viability while adapting to the ever-changing environment around them. Management theorist Henri Fayol (1841-1925) whose work still endures today included planning amongst what he said were the prime responsibilities of management: planning, organizing, command, co-ordination and control. He described planning as: 'examining the future, deciding what needs to be done and developing a plan of action'.

According to Burns (2009), Henry Mintzberg has been called 'the great management iconoclast' owing to his willingness to attack previously sacred concepts in business and management. His commonsense approach to management issues has earned him a very wide following and he is perhaps best known for his work on business strategy, where he is said to have exposed the gaps between academic concepts of strategy and reality. Michael Porter, the other main modern-day strategist, adopted a particular focus on organizational and governmental competence and competitiveness and has written several popular books on business strategy. Igor Ansoff is another acknowledged contributor to the development of thinking and practice on business strategy regarded by many as one of the pioneers of strategic planning.

A 2005 survey of 440 provider-based healthcare professionals found that strategic planning is practiced with regularity by healthcare organizations and appears to be a well-regarded process among executives. Nearly 40 percent of respondents developed or updated their strategic plans annually, and another 40 percent did so every two to three years. On a five-point scale, with five being the highest rating and one the lowest, questions asking respondents to rate their strategic planning processes and outcomes received an average response of nearly four. (Zuckerman, 2007).

2.3. Conceptual Framework

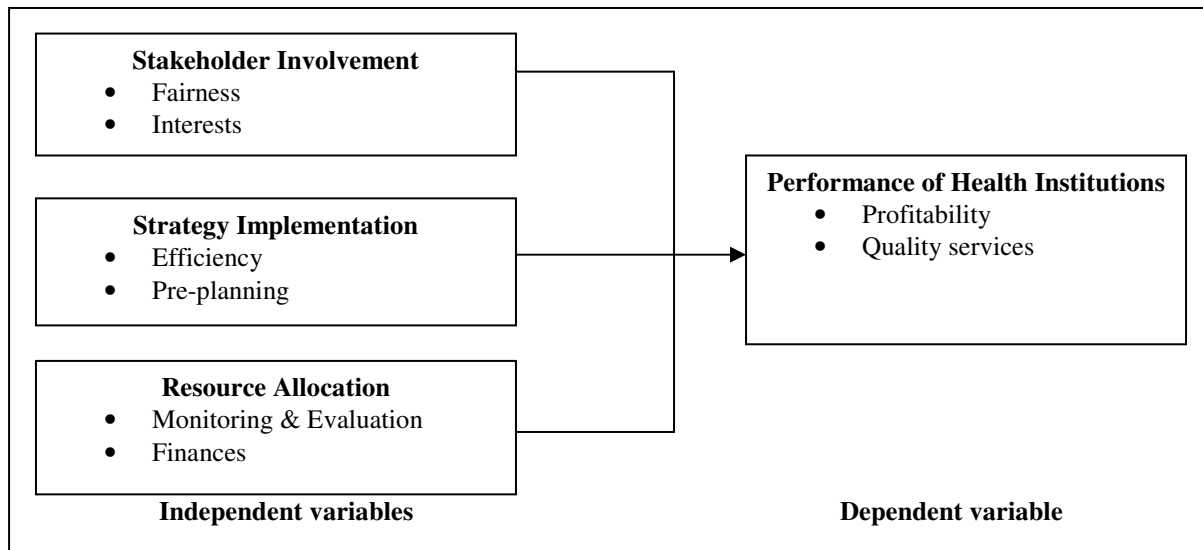


Figure 3: showing dependent and independent variables

2.4. Empirical Review

2.4.1. Stakeholder Involvement

According to Rovinsky (2002), the responsibility of developing the strategic plan varies within organizations. In some organizations only the CEO has the responsibility while in others; it is delegated to the vice president or director of strategic planning or is shared with all the members of the executive team. No evidence suggests that which structure is more conducive to better performance. However, analysts have suggested that when physicians have a meaningful role and when their needs and expectations are well incorporated in the strategic planning process, the organization is more likely to improve its market position and financial performance (Van Kooy and Ettinger, 2002). The board involvement ensures that stakeholders' input is incorporated in the strategic planning process and the organizational goals are driven by stakeholder needs and expectations (Orlikoff and Totten, 2006).

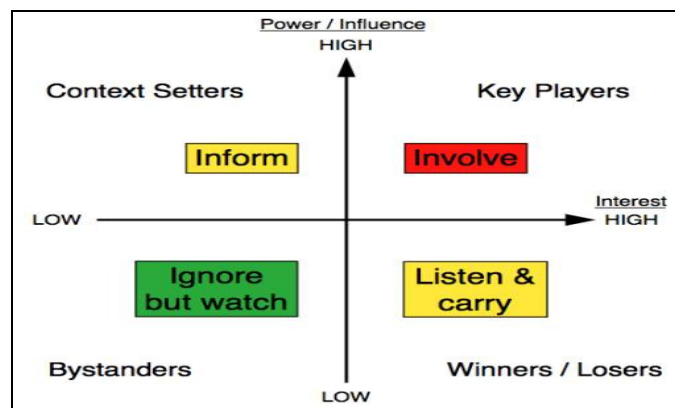


Figure 4: How to prioritize stakeholders and make decisions by Markwell (2013)

2.4.2. Implementation of Strategic Plan

Ginter et al (2008) believe that the three stages of strategic management—strategic thinking, strategic planning, and strategic momentum—provide many benefits, including: tying the organization together with a common sense of purpose and shared values; improving financial performance in many cases; providing the organization with a clear self-concept, specific goals, and guidance and consistency in decision making; helping managers understand the present, think about the future, and recognize the signals that suggest change; requiring managers to communicate both vertically and horizontally.

Strategy execution is the process of ensuring that strategy is embodied in all that the hospital does. The main purpose of execution is the synergy between strategic goals and objectives and the hospital's daily activities. To create that synergy requires four essential elements: Communication – to the entire organization; Alignment – of processes, capabilities, and resources with the strategy; Accountability – between performance and rewards; Feedback – developing a management reporting system to monitor progress and report back to key stakeholders. A performance measurement system enables the execution of a hospital's strategy by translating it into operational terms that can be measured, communicated and used to develop analysis, reporting and decision-making at both the product line, organizational and institutional levels. (Bellenfant and Nelson, 2010)

2.4.3. Resource Allocation

Rosenberg (2003) argues that leaders need to analyze projected cash flows from the project and compare them to other investment options to see which provides the best return for the risk. The author observes that these financial analyses allow leaders to discuss whether the differences in mission achievement justify the differences in financial impact, and to select the mix of projects that strike the best balance. Bhidé (2000) says that a close look at growth companies in their earlier stages of development shows that founders do not assume all of the risks of the venture. The author observes that a greater set of risks is shouldered by those who work for an entrepreneur, sell supplies to an entrepreneur, or agree to buy whatever the entrepreneur is selling, the ability to persuade others to take on risks is key to the early success of entrepreneurs.

Bender and Ward (2009) observe that financial risk is the risk inherent in the company's choice of financing structure. Rosenberg (2003) argues that stable organizations test their alternatives for the financial impact of different expenses, income, timing of expenses, and other factors. If a program will continue beyond its initial funding, these organizations routinely and rigorously plan how any budget expansion will continue to be funded.

Bhidé (2000) finds that successful entrepreneurs are surprisingly effective at spreading the risk around to others. The author finds that successful entrepreneurs rely on a range of tactics to overcome these hurdles. They learn to target resource providers who have limited alternatives, short-term needs, and a personal or psychological preference for working with new companies. Bhidé (2000) says that risk is an intrinsic part of any business venture. Starting a company of any type places tremendous strain on the founders' personal lives. The cost of the uncertainty that comes with a new venture can be staggering in terms of stress on family relationships, self-image, and personal bank accounts. Rosenberg (2003) points that business owners consistently look at both the mission and financial impacts of potential projects and investments.

Resource allocation is the process of determining the best way to utilize the available assets in an organization in the accomplishment of organizational goals (Derek, 2003). It involves budgeting, financial planning, and utilization of organization available resources.

According to the study, resource allocation refers to how resources, including human resources, finances, capital and informational resources are divided among the various departments of the organization to help with strategy implementation.

2.5. Critique of Existing Literature

The literature reviewed revealed that most of the studies assessed the relevance of strategic planning in businesses and profit making organizations. However, there was limited literature on the effects of strategic plan on performance of healthcare institutions or whether there is a link between the two. According to Swayne, Duncan, and Ginter (2008) after almost four decades of research, the effects of strategic planning on an organization's performance are still unclear. Some studies have found significant benefits from planning, although others have found no relationship, or even small negative effects.

Begun and Kaissi (2005) on the other hand confirm that little is known about the extent to which healthcare organizations conduct formal strategic planning or how it affects performance.

2.6. Summary

This research project will seek to show the effect of strategic plan on health care performance. Health services performance measurement can be used for many purposes. Firstly, it can be used as a performance and success indicator and as a managerial control tool. It may be used to investigate the factors that drive better performance and thus to improve the management and organization of producers. Furthermore, the scarcity of the resources spent for the provision of health care, necessitates that these should be allocated to those producers that maximize the output produced with the given money spent for health care

Given the size of the health care industry, even small improvements in the performance of health care providers may generate substantial resource savings. Hence, measuring and analyzing the efficiency and productivity has become an issue of great importance.

2.7. Research Gaps

There are little documented empirical studies done or recorded on the effect of strategic plan on the performance of health care organizations. Steiner (2008) provided a thorough conceptualization of strategic planning. According to Steiner, planning is an attitude

and a process concerned with the future consequences of current decisions. Formal strategic planning links short, intermediate, and long-range plans. Strategic planning does not attempt to make future decisions or even forecast future events. It need not replace managerial intuition and judgment with massive, detailed sets of plans. Steiner argued for the importance of strategic planning, providing keen insight into overcoming the barriers and biases associated with planning failures. However, research by Steiner and others is founded in the critical assumption that planning is important. But the debates rage on in the literature. The key question remains: Is there really a link between planning and performance? Therefore, this study sought to bridge this gap that exists.

3. Research Methodology

3.1. Introduction

This chapter presented the methodology that was used to conduct the research and analyze the data derived from the study. The research was carried out in Aga Khan Hospital in Mombasa. The choice of this particular hospital was due to the fact that it has recently adapted to the use of a strategic plan in its management and it is among the top level five hospitals in Mombasa County.

3.2. Research Design

The study used descriptive case study design; the research was based on qualitative research and quantitative. Patricia (2013), states that descriptive research is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question.

3.3. Population

The study population included the permanent employees of Aga Khan Hospital. The target population was 140. The hospital has a large clientele population considering it receives referrals from all over the coastal region.

3.4. Sampling Frame

The sampling frame was drawn from the entire staff members of Aga Khan Hospital. According to Carl-Erik et al (2003) a sampling frame is the source material or device from which a sample is drawn. It is a list of all those within a population who can be sampled, and may include individuals, households or institutions. The sample was selected using Slovin's Formula technique.

3.5. Sample Size and Sampling Technique

Mugenda and Mugenda (2003) argue that sampling is the process of selecting a number of individuals for a study in a way that the individuals selected represent the large group from which they were selected. For this study, Slovin's Formula was used hence the following formula:

$$n = \frac{N}{1 + Ne^2} = \frac{140}{1 + 140(0.05)^2} = \frac{140}{1.3325} = 105$$

N= 105 (Sample)

3.6. Data Collection Instruments

The researcher used a designed questionnaire which contained questions that assisted in attaining the objectives of this research as earlier stated. Since the intended sample was able to read and write, it was easier for the researcher to collect the feedback at his convenient time. The Questionnaire was divided into sections which included the following; Section A involved questions related to Working Capital Manage of the firm, SECTION B, stakeholder involvement, SECTION C, implementation of strategic planning, and SECTION D, resource allocation.

3.7. Data Collection Procedure

Data collection for the case study comprised of three major areas. First was the review of hospital documents including the strategic plan and all documents related to it like patient attendance registers and financial records, second was issuance of questionnaires to the clients of the hospital and third was holding group discussions with staff members of Aga Khan and also the management team.

3.8. Pilot Study

The researcher carried out pre-testing of research instrument by using a small representative sample selected based on convenience based on alpha testing method. Though common in software development, alpha test was tested among selected respondents to confirm that the research questionnaire works. It has been proposed that alpha can be viewed as the expected correlation of two assets that measure the same construct. By using this definition, it is implicitly assumed that the average correlation of a set of items is an accurate estimate of the average correlation of all items that pertain to a certain construct. Cronbach's alpha is a function of the number of items in a test, the average covariance between item-pairs, and the variance of the total score. When the questionnaire at issue is reliable, people who are completely identical- at least with regard to their pleasure in writing should get the same score, and people completely different should get a completely different score (Field, 2009).

3.9. Data Processing and Analysis

Data was edited which means careful scrutiny of the completed questionnaires. Editing was done to ensure that the data is accurate, consistent with other facts gathered, uniformly entered, as complete as possible and has been well arranged to facilitate coding and tabulation. Data collected was transformed into various indicators and scores that will be reflective of the various variables. SPSS statistical analysis version 22 was used in the computation of responses from the respondents.

3.9.1. Quantitative Data Analysis

The data analysis involved numerical counts and frequencies which will serve as a basis in finding out the role of strategic management factors on the effects of strategic planning on health institutions performance. The data was used to express the spread or variation in response and will be presented in tabular and graphs forms. Quantitative analysis provided the means to separate the large number of confounding factors that often obscure the main qualitative findings. Data processing involved pre-processing of the data to be collected during the pilot study.

3.9.2. Model Specification

This model helped to establish the relationship between the independent variables and the dependent variable. The Co-efficient of determination, R^2 was used to estimate how well the independent variables explain the dependent variable in the model. Multiple regression analysis was used to establish the relationship between independent variables and the dependent variable. The model was used to study the effects of strategic planning. The model specification was as follows:

$$Y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \varepsilon$$

Where

α : is a constant term,

β_n : coefficients to be determined

ε : the error term.

Y: Performance

x_1 : Stakeholder involvement

x_2 : Strategy implementation

x_3 : Strategic resource allocation

3.9.3. Statistical Tests of Significance

In testing the significance level, the statistical significance was considered significant if the P-value was less than or equal to 0.05. The study used ANOVA to establish the significance of the regression model from which f-significance value of p less than 0.05 was established.

4. Data Analysis, Results and Discussion

4.1. Introduction

This chapter contains the summaries of data findings in descriptive and narrative form for the analysis alongside interpretations by the researcher by use of mean scores and percentages. The data analysis was based on the research objectives and questionnaire items which were analyzed using statistical tools like pie chart, distribution tables and graphs and results of the analysis presented. Most of the questions had a scale ranging from 1 to 5 indicating the extent to which the respondents agreed or disagreed with each statement.

4.2. Response Rate

The total questionnaires that were distributed were 105 and 97 were returned answered which represents 92.4% of the total questionnaires that were administered to the field while 8 questionnaires were not returned which represents 7.6% of the questionnaires administered. According to Mugenda and Mugenda (2003) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent; therefore, this response rate was adequate for analysis and reporting. From Table 1, it can be inferred that there was a good response rate.

Response Rate	Frequency	Percentage
Responded	97	92.4
Did not respond	8	7.6
TOTAL	105	100

Table 1: Response Rate

Prior to the actual study, the researcher carried out a pilot study to pretest the validity and reliability of data collected using the questionnaire. The pilot study allowed for pre-testing of the research instrument by using a small representative sample selected based on convenience based on alpha testing method. From the Table 2 below, it can be inferred that the questionnaire was reliable.

Variable	Cronbach's Alpha	Number of Items
Stakeholder Involvement	0.713	5
Strategic Plan Implementation	0.726	6
Strategic Resource Allocation	0.684	5
Organizational Performance	0.707	3

Table 2: Reliability Coefficients

The reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency by establishing if certain item measures the same construct. Cronbach's Alpha was established for every objective in order to determine if each scale (objective) would produce consistent results should the research be done later on. The findings of the pilot study show that all the three variables were reliable as their reliability values exceed the prescribed threshold of 0.7 (Mugenda and Mugenda, 2003).

4.3. Background Information

The background information was gathered based on the age, gender, marital status, religion, nationality, level of education, and the number of years employed by Aga Khan Hospital. Out of the 105 questionnaires 97 were received back while 8 were not returned.

4.4. Age of Respondents

The age of the respondents was one of the characteristics of the study in the questionnaire.

The results indicate that a majority of the respondents fall in the age bracket of between 31-35 years while the age bracket of 51 years and above had the least respondents. This shows that most hospitals are run by a young and energetic work force who mostly comprise of college and university graduates who have a working experience of between 0-3 years in business. The few old people in hospitals who fall in the '51 and above' category are the ones who have been in the health industry for more than a decade and have been retained because of their level of experience and ability to deliver.

These findings are in line with Bransford et al (2000), who states that the current level of performance depends holistically on 6 components: context, level of knowledge, levels of skills, level of identity, personal factors, and fixed factors one of them being age and that's why most people in the health fraternity fall in the 31-35 years' age bracket because they have a record of experience. However, there is a trend emerging whereby when most health practitioners clock more than 3 years in employment, they branch out and start their own clinics as they offer consultancy and medical services on contract.

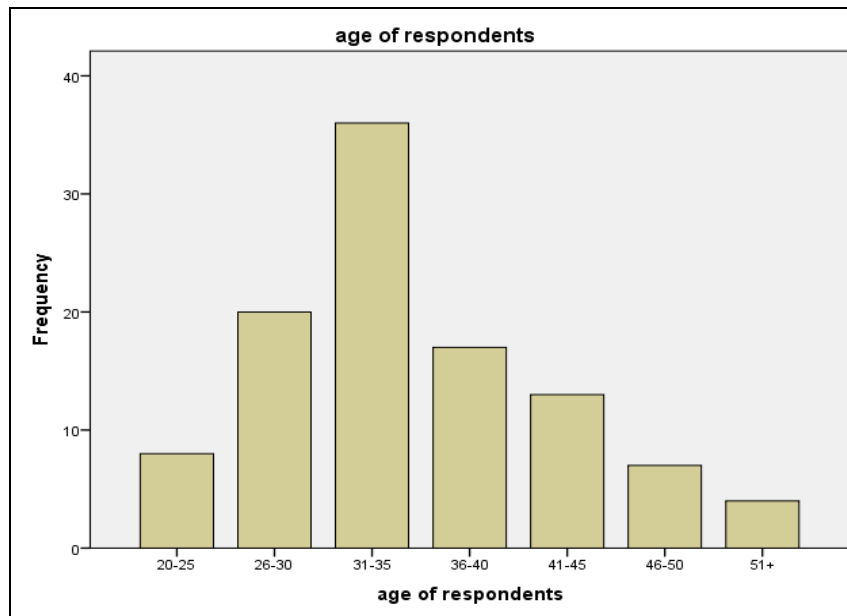


Figure 5: The age of the respondents

4.5. Gender of the Respondents

	Frequency	Percentage	Cumulative Percentage
Male	50	51.43	51.43
Female	47	48.57	100.0
TOTAL	97	100	

Table 3: Gender of the respondents

From Table 3, the results indicate that most of the respondents (51.43%) were male which also indicates that hospitals have more men than women in their workforce. Previously, the hospital fraternity was marked by a large population comprising of women but with recently, many men have started pursuing nursing as a course and have changed the mentality that nursing is a ‘female course’. The results are in line with KHSSP (2016), which states that there is a small variation in defining gender in the health sector but according to previous surveys conducted, male are slightly higher in number as compared to their female counterparts.

4.6. Marital Status

It can be inferred that a majority of hospital staff (29.9%) are married, and are closely followed by those separated at (27.8%). The ones falling under the category of ‘widowed’ are the least at (11.3%). This explains the real situation on the ground whereby when most doctors, nurses among other health practitioners start work, they are married and have spouses. However, due to long working hours, lots of travelling attending health workshops and refresher courses, many succumb to infidelity which later results to divorce or separation.

This is in line with KHSSP (2016), which states that there is a worrying trend in the health sector whereby the rate at which divorce and separation is creeping in, it is slowly eating into the married category and failure to address this issue early enough, it will have repercussions in the coming generations to come.

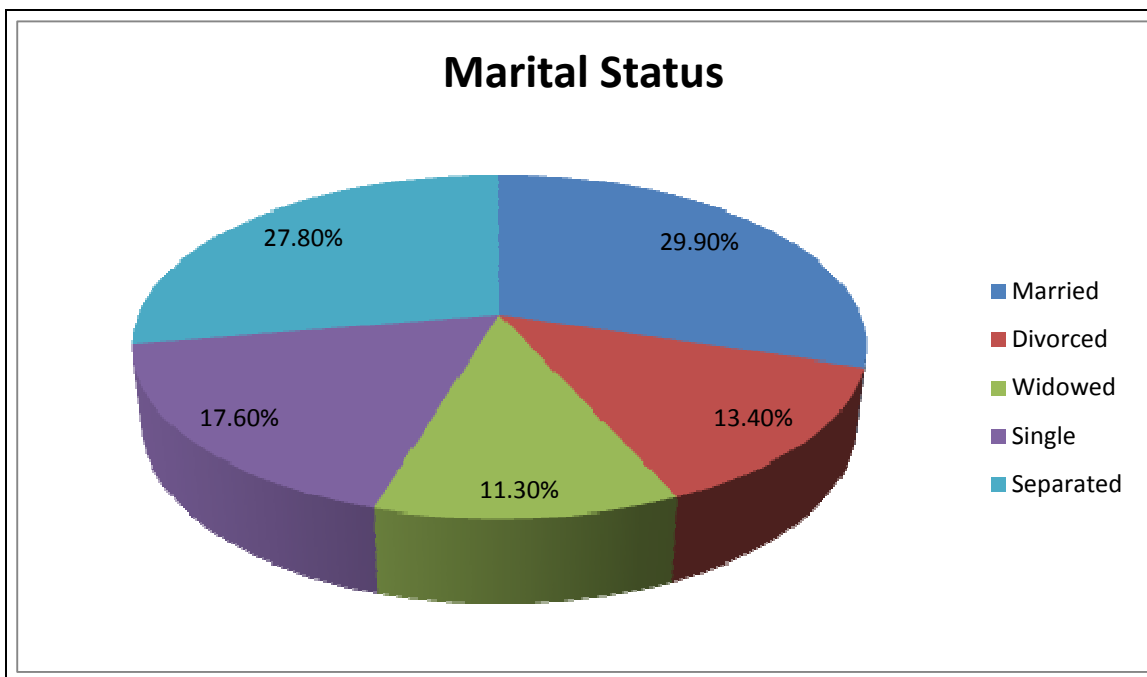


Figure 6: Marital Status of the respondents

4.7. Religion of the Respondents

Religion	Frequency	Percentage	Cumulative Percentage
Christian	43	44.3	44.3
Islam	32	33.0	77.3
Buddhism	6	6.2	83.5
Hindu	12	12.4	95.9
Traditional Religions	4	4.1	100.0
TOTAL	97	100	

Table 4: Religion of the respondents

From Table 4, it can be inferred that a majority of hospital staff (44.3%) are Christians, and are closely followed by Muslims at (33.0%). Despite Mombasa County being a Muslim town and also Aga Khan Hospital being an Islam institution, Christians are still more in number as compared to their Muslim, Hindu, and Bodhi counterparts. A reason contributing to this trend is that most Mombasa residents don’t embrace education as they mostly drop out after completing their KCPE examinations due to various factors such as poverty, lack of fees, prostitution, dis interest in educational matters or forced marriages among other factors. Most hospitals and businesses in Mombasa hence have to outsource their skilled man power from other regions outside Mombasa County. The findings are in line with UN report (2015) which states that the rate at which Mombasa locals are dropping from school is at an alarming rate and if this trend is not addressed, achieving Vision 2030 may be a pipe dream.

4.8. Nationality of the Respondents

It can be inferred that a majority of the staff at Aga Khan Hospital in Mombasa are of Kenyan origin. However, there is a small number of non-Kenyans who have come as volunteer medical practitioners.

The findings are in line Aga Khan Hospital annual report (2015) which states that the hospital has a workforce that contains people of different nationalities, races and religion who all work in unity.

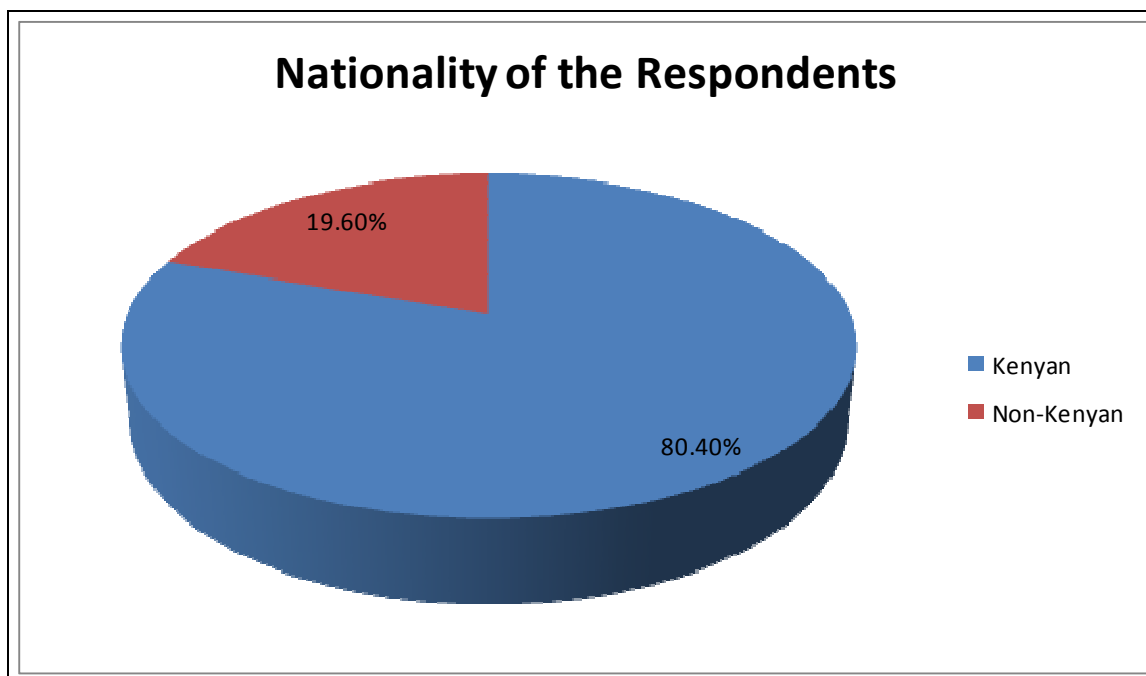


Figure 7: Nationality of the respondents

4.9. Highest Level of Education

The level of education was one of the personal bio data gathered in this study. This was important in that, it reflected the knowledge about working capital management which was the general objective of the study. This is shown in Table 5.

Category	Frequency	Percentage	Cumulative Percentage
Primary School	4	4.1	4.1
Secondary School	9	9.3	13.4
College	26	26.8	40.2
University	44	45.4	85.6
Postgraduate	14	14.4	100.0
TOTAL	97	100.0	

Table 5: Highest Level of Education

From Table 5, it can be inferred that 4.1% of staff at Aga Khan Hospital in Mombasa only reached primary school level, 9.3% secondary school, 26.8% college, 45.4% university while 14.4% have managed to complete their post graduate studies.

The results show that a majority of health practitioners are College graduates, who just completed their courses at Kenya Medical Training College meaning that they are literate and have an idea of what strategic management is and how it relates to performance.

This is in line with the European Health Commission (EHC) (2005) which states that college graduates are the engines of the European health economy and they are an essential source of jobs, create entrepreneurial spirit and innovation in the EC and are thus crucial for fostering competitiveness and employment.

4.10. Number of Years in Business

It can be inferred that 36.1% of staff at Aga Khan Hospital in Mombasa have been working for a period between 0-3 years, 32% for a period between 4-6 years, 22.7% for a period between 7-10 years and the least; 9.2% for a period of over 10 years.

The results show that a majority of staff at Aga Khan have an experience of about 3 years as most of them are fresh from school but after staying in the institution for many years, some resign as they opt for self employment while others leave in search of greener pastures. The least percentage of 9.2 represents those staff that have served the hospital for more than a decade and have been retained due to their honesty, skill and experience.

These findings are in line with Bransford et al (2000), who states that the current level of performance depends holistically on 6 components: context, level of knowledge, levels of skills, level of identity, personal factors, and fixed factors one of them being experience.

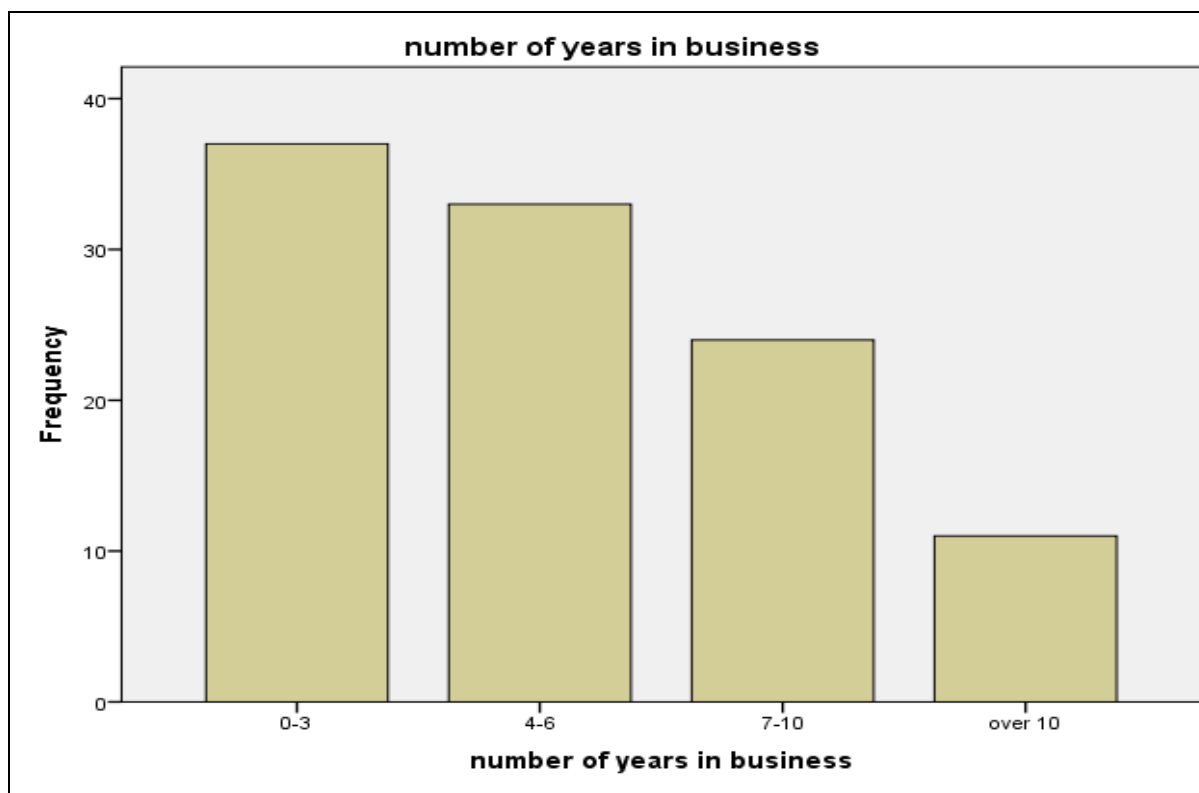


Figure 8: Number of years in business

According to the scale, those variables which had a Mean above 3 represented 'strongly disagreed', those which had a mean scale above 2.5 but less than 3 represented 'disagreed', those which had a mean above 2 but less than 2.5 represented 'strongly agreed', those with a mean close to 2 represented 'agreed' while those that had a mean of less than 1.5 represented 'not sure'. Standard deviation was used to indicate the extent of dispersion.

Descriptive Statistics				
	N	Mean	Std Deviation	Variance
Does the hospital fully involve all its stakeholders in its strategic planning?	97	3.11	.763	.582
Is the stakeholder involvement done in an equitable free and fair manner?	97	2.26	.638	.407
Do they stakeholders have Interests of the hospital, staff and clients in their minds as they conduct planning?	97	2.31	.724	.524
Are there challenges since the involvement of stakeholders in strategic planning?	97	1.83	.596	.355
Is the hospital doing enough to address stakeholder's involvement shortcomings?	97	3.19	.803	.644
Valid N (listwise)	97			

Table 6: Extent to Which Aga Khan Hospital in Mombasa Handles Its Affairs in regards to Stakeholder Involvement

According to the study shown in Table 6, a majority of respondents (M=3.11) strongly disagreed that the hospital fully involves all its stakeholders in its strategic planning, (M=2.26) disagreed that stakeholder involvement is done in an equitable free and fair manner, (M=2.31) strongly agreed on the fact that stakeholders have interests of the hospital, staff and clients in their minds as they conduct planning, (M=1.83) agreed that there are challenges since involvement of stakeholders in strategic planning, (M=3.19) strongly disagreed to the fact that the hospital was doing enough to address stakeholder involvement shortcomings.

From the findings above, it is evident that a majority of the hospitals use a strategic plan to stay on course which has greatly contributed to an improvement in the health sector performance.

Most hospitals apart from not fully involving their stakeholders in their strategic planning, even if they do so, they don't do it in a free and fair manner yet these stakeholders have the interests of the hospital, staff and clients in their minds. Despite the challenges brought about by the involvement of these stakeholder's involvement, hospitals are not enough to address these shortcomings.

All these are in line with findings by Orlikoff and Totten (2006) who state that board involvement ensures that stakeholders' input is incorporated in the strategic planning process and the organizational goals are driven by stakeholder needs and expectations. To correct this situation in the Kenyan market, it is recommended that hospitals must fully involve its stakeholders in strategic planning. By doing this, performance and efficiency will have an improvement.

4.10.1. Extent to Which Aga Khan Hospital, Mombasa Handles Issues Pertaining to Strategy Implementation

Those variables which had a mean above 3 represented 'strongly disagreed', those which had a mean scale above 2.5 but less than 3 represented 'disagreed', those which had a mean above 2 but less than 2.5 represented 'strongly agreed', those with a mean close to 2 represented 'agreed' while those that had a mean of less than 1.5 represented 'not sure'. Standard deviation was used to indicate the extent of dispersion

Descriptive Statistics				
	N	Mean	Std Deviation	Variance
Does the hospital always conduct strategic planning implementation?	97	2.41	.594	.353
Does strategic planning implementation involve all levels of management?	97	3.34	.621	.386
Does the hospital conduct a pre-strategic planning survey?	97	2.56	.725	.526
Has strategic planning brought efficiency?	97	2.09	.753	.567
Has strategic planning implementation ensured there is effective allocation of resources and control mechanisms?	97	2.17	.781	.610
Has strategic planning implementation transformed and revitalized the hospital?	97	2.15	.674	.454
Valid N (listwise)	97			

Table 7: Extent to Which Aga Khan Hospital, Mombasa Handles Issues Pertaining to Strategy Implementation

According to the study shown in Table 7, majority of the respondents (M=2.41) strongly agreed to the fact that the hospital always conducts strategy implementation, (M=3.34) indicated respondents strongly disagreed that strategic planning involves all levels of management, (M=2.56) disagreed that the hospital conducts a pre-strategic planning survey, (M=2.09) strongly agreed that strategic planning has brought efficiency, (M=2.17) strongly agreed that strategic planning has ensured effective allocation of resources and control mechanisms, (M=2.15) strongly agreed that strategic planning implementation has transformed and revitalized their hospital operations.

As much as hospitals always conduct strategic planning implementation, they fail when it comes to involving all levels of management because they don't do it equitably and fairly. Despite conducting strategic planning from time to time, a majority of them don't conduct a pre-strategic planning survey. However, despite the various challenges, strategy implementation has brought efficiency and ensured effective allocation of resources and control mechanisms. Above all, as a tool, strategic planning has transformed and revitalized hospitals in a very big way.

The findings are in line with what was quoted by Brealy and Myer, (2006) that a manager that "A strategic plan is like a child with a hammer and everything is a nail". Without a strategic plan, it is very difficult for any organization to move forward.

As part of the recommendations, hospitals should have corrective measures stated clearly in their strategic plans, conduct a pre-strategic planning survey and most importantly involve all levels of management when designing their strategic plans.

4.10.2. Extent to Which the Hospital Handles Issues Pertaining to Strategic Resource Allocation

According to the scale, those variables which had a mean above 3 represented 'strongly disagreed', those which had a mean scale above 2.5 represented 'disagreed', those which had a mean above 2 but less than 2.5 represented 'strongly agreed', those with a mean close to 2 represented 'agreed' while those that had a mean of less than 1.5 represented 'not sure'. Standard deviation was used to indicate the extent of dispersion.

Descriptive Statistics				
	N	Mean	Std Deviation	Variance
Is strategic resource allocation done in a free and fair manner to ensure equality	97	3.08	.783	.613
Does strategic resource allocation involve all levels of management?	97	2.86	.844	.712
Does the hospital use a budget/resource allocation model as guidance?	97	2.31	.726	.527
After resource allocation has been implemented, is effective monitoring and evaluation conducted to oversee?	97	2.77	.689	.475
Does strategic resource allocation suffer due to lack of finances?	97	2.31	.627	.393
Valid N (listwise)	97			

Table 8: Extent to which the hospital handles issues pertaining to strategic resource allocation

According to the study shown in Table 8, majority of the respondents (M=3.08) strongly disagreed to the fact that strategic resource allocation is done in a free and fair manner to ensure equality, (M=2.86) disagreed that strategic resource allocation involves all levels of management, (M=2.31) strongly agreed that they use a budget/resource allocation model as a guidance, (M=2.77) disagreed to the fact that after resource allocation has been implemented, effective monitoring and evaluation is conducted to oversee, (M=2.31) strongly agreed that strategic resource allocation suffers due to lack of finances.

From the findings above, despite a majority of hospitals using a budget/resource allocation model as guidance, the resource allocation is not done in a free and fair manner to ensure equality and doesn't involve all levels of management. The biggest setback to the resource allocation is insufficient funds to finance the whole project. It is discouraging that despite living in this 21st Century where monitoring and evaluation should be implemented in all levels of management, a majority of health institutions still don't find it useful and have not yet adopted it.

According to Hirsch (2008) sources of finance can be classified into Equity versus debt sources or internal versus external sources. If finances are managed well, then everything falls into place starting from adoption of the budget/resource allocation model to the allocation of these resources.

4.11. Multiple Regression Analysis

To establish the relationship between the independent variables and the dependent variable the study conducted regression analysis which involved coefficient of correlation and coefficient of determination.

4.11.1. Model Summary

The study used ANOVA to establish the significance of the regression model from which f-significance value of ($P < 0.05$) was established as shown in Table 21. The model was statistically significant in predicting effect of strategic plan on performance. This therefore means that the regression model had a confidence level of above 95% hence high reliability of the results obtained.

Model	R Square	Adjusted R Square	Std Error of the estimate	Change Statistics				
				R Square Change	F	df1	df2	Sig. F
1	.975 ^a	.950	.290	.950	178.243	10	94	.296

Table 9: Model Summary

Coefficient of determination explains the extent to which changes in the dependent variable (performance of health care institutions in Kenya) can be explained by the change in the independent variables or the percentage of variation in the dependent variable (performance of health care institutions in Kenya) that is explained by all the three independent variables (Stakeholder Involvement, Strategy Implementation, Strategic Resource Allocation).

The three independent variables that were studied, explain only 94.5% of the changes in the financial performance of commercial banks in Kenya as represented by the R². The study shows that there is a very strong positive and significant correlation between effects of strategic planning and the performance of health care institutions.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	19.759	4	5.976	54.13	.003 ^a
1 Residual	7.898	92	3.084		
Total	27.657	96			

Table 10: ANOVA^a

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is per Table 10 above with p-value of 0.03 which is less than 0.05. This indicates that the regression model is statistically significant in predicting effects of strategic planning on performance of healthcare institution. Basing on the confidence level of 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at $F= 54.13$, $p= 0.03$

	Unstandardized		Standardized	T	Sig.	95% Confidence	
	Coefficients		Coefficients			Interval for B	
	B	Std Error	Beta			Lower Bound	Upper Bound
(Constant)	.342	.212		1.580	.000	.829	.713
Stakeholder Involvement	.306	.114	.213	2.582	.012	.612	.542
Strategic Implementation	.315	.102	.084	1.840	.005	.629	.210
Strategic R. Allocation	.281	.067	.155	2.561	.018	.034	.301

Dependent variable: Strategic Planning 0.05

Table 11: Multiple Regression Analysis Coefficients^a

The researcher conducted a multiple regression analysis as shown in the table above so as to determine the relationship between health care institutions performance and the three variables investigated in this study.

The regression equation was:

$$Y=0.342 + 0.306X_1 + 0.315X_2 + 0.281X_3$$

Y: is the dependent variable (Performance)

X₁: is stakeholder involvement

X₂: is strategy implementation

X₃: is strategic resource allocation

According to the regression equation established in Table 11, taking all factors constant at zero, performance will be 0.342. The data findings analyzed also shows that taking all other independent variables at zero; a unit increase in stakeholder involvement will lead to a 0.306 increase in performance; a unit increase in strategic planning implementation will lead to a 0.315 increase in performance; a unit increase in strategic resource allocation will lead to a 0.281 increase in performance.

This therefore implies that all the three variables have a positive relationship with performance with strategic planning implementation contributing most to the dependent variable. The p-values for all the 3 variables have got variables coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

4.12. Discussion

The results indicate that a majority of the respondents fall in the age bracket of between 31-35 years while the age bracket of 51 years and above had the least respondents. Most of the respondents (51.43%) were male which also indicates that hospitals have more men than women in their workforce. Previously, the hospital fraternity was marked by a large population comprising of women but with recently, many men have started pursuing nursing as a course and have changed the mentality that nursing is a 'female course'. A majority of hospital staff (29.9%) are married, and are closely followed by those separated at (27.8%). The ones falling under the category of 'widowed' are the least at (11.3%). A majority of hospital staff (44.3%) are Christians, and are closely followed by Muslims at (33.0%). Majority of the staff at Aga Khan Hospital in Mombasa are of Kenyan origin. However, there is a small number of non-Kenyans who have come as volunteer medical practitioners.

The results show that a majority of health practitioners are College graduates, who just completed their courses at Kenya Medical Training College meaning that they are literate and have an idea of what strategic management is and how it relates to performance. Majority of staff at Aga Khan have an experience of about 3 years as most of them are fresh from school but after staying in the institution for many years, some resign as they opt for self employment while others leave in search of greener pastures. The least percentage of 9.2 represents staffs that have served the hospital for more than a decade and has been retained due to their honesty, skill and experience.

From the findings above, it is evident that a majority of the hospitals use a strategic plan to stay on course which has greatly contributed to an improvement in the health sector performance.

Most hospitals apart from not fully involving their stakeholders in their strategic planning, even if they do so, they don't do it in a free and fair manner yet these stakeholders have the interests of the hospital, staff and clients in their minds. Despite the challenges brought about by the involvement of these stakeholder's involvement, hospitals are not enough to address these shortcomings.

All these are in line with findings by Orlikoff and Totten (2006) who state that board involvement ensures that stakeholders' input is incorporated in the strategic planning process and the organizational goals are driven by stakeholder needs and expectations.

As much as hospitals always conduct strategic planning implementation, they fail when it comes to involving all levels of management because they don't do it equitably and fairly. Despite conducting strategic planning from time to time, a majority of them don't conduct a pre-strategic planning survey. However, despite the various challenges, strategy implementation has brought efficiency and ensured effective allocation of resources and control mechanisms. Above all, as a tool, strategic planning has transformed and revitalized hospitals in a very big way.

The findings are in line with what was quoted by Brealy and Myer, (2006) that a strategic plan is like a child with a hammer and everything is a nail. Without a strategic plan, it is very difficult for any organization to move forward.

From the findings above, despite a majority of hospitals using a budget/resource allocation model as guidance, the resource allocation is not done in a free and fair manner to ensure equality and doesn't involve all levels of management. The biggest setback to the resource allocation is insufficient funds to finance the whole project. It is discouraging that despite living in this 21st Century where monitoring and evaluation should be implemented in all levels of management, a majority of health institutions still don't find it useful and have not yet adopted it.

According to Hirsch (2008) sources of finance can be classified into Equity versus debt sources or internal versus external sources. If finances are managed well, then everything falls into place starting from adoption of the budget/resource allocation model to the allocation of these resources.

According to the regression equation established in Table 11, taking all factors constant at zero, performance will be 0.342. The data findings analyzed also shows that taking all other independent variables at zero; a unit increase in stakeholder involvement will lead to a 0.306 increase in performance; a unit increase in strategic planning implementation will lead to a 0.315 increase in performance; a unit increase in strategic resource allocation will lead to a 0.281 increase in performance.

This therefore implies that all the three variables have a positive relationship with performance with strategic planning implementation contributing most to the dependent variable. The p-values for all the 3 variables have got variables coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

5. Summary, Conclusion and Recommendations

5.1. Introduction

This chapter deals with the overview of the findings, conclusions that can be drawn from the findings and what could be done about the findings. It further gives recommendations which are derived from the conclusions. The summary points out the findings of the research, showing their relationship with similar previous studies done by other researchers. It indicates the relevance of the findings to the objective of the study. The conclusion shows the inferences from the findings in the study, the relevance to the problem being studied finally the recommendations given.

5.2. Summary as per Objectives

This study focused on the health sector in Kenya with Aga Khan Hospital in Mombasa County as a case study to show how their management of performance is affected by various determinants. The first objective of this study was to find out how stakeholder involvement affects performance. The study established that a majority of hospitals in Kenya use a strategic plan to stay on course which has greatly contributed to an improvement.

Most hospitals apart from not fully involving their stakeholders in their strategic planning, even if they do so, they don't do it in a free and fair manner yet these stakeholders have the interests of the hospital, staff and clients in their minds. Despite the challenges brought about by the involvement of these stakeholder's involvement, hospitals are not enough to address these shortcomings.

All these are in line with findings by Orlikoff and Totten (2006) who state that board involvement ensures that stakeholders' input is incorporated in the strategic planning process and the organizational goals are driven by stakeholder needs and expectations.

The second objective of this study was to find out how strategy implementation affects performance. The study established that as much as hospitals always conduct strategy implementation, they fail when it comes to involving all levels of management because they don't do it equitably and fairly. Despite conducting strategy implementation from time to time, a majority of them don't conduct a pre-strategic planning survey. However, despite the various challenges, strategy implementation has brought efficiency and ensured effective allocation of resources and control mechanisms. Above all, as a tool, strategy implementation has transformed and revitalized hospitals in a very big way. The findings are in line with what was quoted by Brealy and Myer, (2006) that a manager that "A strategic plan is like a child with a hammer and everything is a nail". Without a strategic plan, it is very difficult for any organization to move forward.

The third objective of this study was to establish the effect of the resource allocation model on performance. The study established most hospitals use a budget/resource allocation model as guidance; the resource allocation is not done in a free and fair manner to ensure equality and doesn't involve all levels of management. The biggest setback to the resource allocation is insufficient funds to finance the whole project. It is discouraging that despite living in this 21st Century where monitoring and evaluation should be implemented in all levels of management, a majority of hospitals still don't find it useful and have not yet adopted it.

According to the regression equation established in Table 11, taking all factors constant at zero, performance will be 0.342. The data findings analyzed also shows that taking all other independent variables at zero; a unit increase in stakeholder involvement will lead to a 0.306 increase in performance; a unit increase in strategic planning implementation will lead to a 0.315 increase in performance; a unit increase in strategic resource allocation will lead to a 0.281 increase in performance.

This therefore implies that all the three variables have a positive relationship with performance with strategic planning implementation contributing most to the dependent variable. The p-values for all the 3 variables have got variables coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

5.3. Conclusions as per Objectives

The study concluded that most hospitals in Kenya, despite numerous initiatives taken to improve on stakeholder involvement, they are facing numerous challenges which have never been addressed.

As much as hospitals always conduct strategy implementation, they fail when it comes to involving all levels of management because they don't do it equitably and fairly and this usually makes them lag behind in terms of performance.

Despite a majority of hospitals using a budget/resource allocation model as guidance, the resource allocation is not done in a free and fair manner to ensure equality and doesn't involve all levels of management.

5.4. Recommendations

From the findings the following recommendations are made;

1. There is need to involve all levels of stakeholders including staffs in strategic planning to ensure cooperation when it comes to implementation. As much as hospitals always conduct strategic planning implementation, they fail when it comes to involving all levels of management because they don't do it equitably and fairly.
2. All factors of various dimensions should be put into the right perspective, so as to help the general workforce of the hospital to understand the main objectives and the strategic plans in place to achieve the objectives of the hospital. This will enlighten the employees of the hospital to jeer towards delivering services to enhance the general strategy of the hospital and to raise its performance.
3. There is a need to provide strict accountability measures for its staff so that all resource allocation decisions are thoroughly vetted, and that there is monitoring system for all allocations. This would also ensure that all resource allocation decisions serve the best interest for which they were intended in the organization.
4. A policy of providing opportunities for staff development for through educating them. This will help them to engage closely and creatively with activities that will improve the performance of the organization

5.5. Limitations

The sample used for this study was small compared to the population of all health facilities in Kenya. This study applied a sample of 97 staff of Aga Khan Hospital in Mombasa County while the population of all registered health practitioners in Kenya stands at 11.6 Million as per the Ministry of Health database.

This study applied both primary and secondary data. The collection of primary data through a questionnaire posed a challenge since there was reluctance from staff in providing some specific information. In addition, the collection of secondary data from the annual reports of Aga Khan Hospital was also a challenge since some financial records were not properly recorded and some of those that had been recorded, the accountant and financial controller were reluctant to share them. The researcher however, assured the respondents of anonymity and confidentiality of the information provided to enhance the response rate.

The time period for collection of data was limited and this posed a challenge in enhancing the response rate. Data for this study was collected within a period of one month and given the depth of the study, one month was not adequate. Due to the limited time period, secondary data from the financial statements was collected for only two years, 2014 and 2015. This limited the scope of the study.

5.6. Suggestions for Further Research

This research study was limited to data collected from the sampled population. However, there are many other hospitals spread throughout the country. Hence there is need for other researchers to consider larger and different sample sets so to take into consideration the different environment in which some of them operate. This will allow for comparison between the results of different studies.

Due to the limited time period, it was not possible to collect comprehensive data needed to measure the relationship between strategic planning and financial performance of the health sector in Kenya. In this regard, there is need for other researchers to widen the study by including collecting secondary data covering a wider period of time, for instance 10 years. Compared to the two years used for this study, different results may be arrived at by use of a wider time period.

This study was limited by the reluctant responses to the questionnaire and also reluctance to availing the financial statements. In this regard, there is need for researchers to explore the use of different data collection techniques which will enhance the response rate. With an enhance response rate, the researchers may come up with different findings.

The study was also restricted to the health sector in Kenya. This can cause limitations in regards to the generalization of results to the Kenyan economy. In this regard, further studies can be performed on other sectors of the economy which may result in different findings.

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