

Influence of Human Resource Factors on Implementation of Strategic Plans Among Mission Hospitals in Kenya: A Case of Mission Hospitals in Nyeri County

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Abstract

In 2017 according to study done only 5% of the listed companies in Kenya were able to fully implement their strategic plans. Human resource have been argued as one the factors that hinders successful implementation of a strategic plan. Therefore, the main purpose of this study was to determine the influence of human resource on implementation of strategic plans among mission hospitals in Kenya, a case study of Nyeri County. The study used a descriptive and correlation research design. The target population of the study was 380 employees working in the mission hospitals in Nyeri out of which a sample of 114 employees was selected. The study used stratified random sampling to select samples in the hospitals while simple random sampling as used with the help human resource assistant was used to select the employees. Primary data was collected with the help of structured questionnaire. The questionnaires were administered using drop and pick procedure. The collected data was cleaned, edited and analyzed with the help of SPSS (23) analyzed using descriptive, correlation and regression analysis. The study revealed that human resource factors influenced implementation of strategic plan. The correlational findings indicated that was a positive strong relationship between human resource and implementation of a strategic plan. It was concluded that human resource had a significant influence on implementation strategic plan among mission hospitals in Kenya. It was recommended that mission hospitals should come up with strategies that would help to attract and retain talented employees as staff turnover was identified as one of human resource factors that influenced implementation of strategic plan. It was also recommended that further studies to be done community based factors and individual workers to examine whether they influenced strategic plan implementation.

Keywords: Strategic plan implementation, human resource, mission hospitals

1. Introduction

1.1 Background of the Study

The current world of business has become very dynamic and therefore for any organization to remain relevant it must have a fore look of where it want to go and how it will get there. For an organization to reach where it would like to be in future it must have a “road map”, which indicates the destination. The road map in this case is a strategic plan. According to Swayne, Duncan, and Ginter (2008), a strategic plan defines where the organization is going and provides focus on how it shall reach there. The a strategic plan sets direction for the organization and through a common understanding of the vision and broad strategic goals provides a template for everyone in the organization to make consistent decisions that move the organization toward its envisioned future.

According to Steiner (2010), Strategic planning process to have five major phases namely, establishing strategic intent, carrying out an environmental analysis, formulation a strategy that fits in the environment, implementing the strategy and later evaluating its performance towards achieving the goals of the organizations. It has always been a puzzle to understand what exactly causes a well prepared strategic plan to fail. Various, hypothesis, models and theories have been developed with an aim of explaining why strategic plans fail but there is no single explanation has been provided. Globally, many institutions have failed as a result of not implementation their strategic plans.

For instance, Greer, Lusch, and Hitt (2017) identified that only 15% of the companies listed in the New York stock exchange were able to implement their strategic plans and identified lack of appropriate human skills as one of the major issues that hinder strategic plan implementation. However, this study seemed to be biased as it did not focus on the health sector as it is not included in the New York market. In Ghana according to Mbau and Gilson (2018) only 7% of all health centers had implemented their strategic plan and it was found that organizational culture significantly influenced strategic plan implementation in the health care sector. Eboime, Abimbola, Obi, Eberim, Olubajo, Eyles and Mambulu (2017) found out that only 10% of Nigerian healthcare centers had adopted a strategic plan on integrating primary health care initiative.

According to Karana, Patel and Ian (2017), only 5% of the companies listed on the NSE were able to fully

implement their strategic plans on time with the allocated resources. The above cited cases showed that organizations globally, regionally and locally had a challenge with the implementation of strategic plans. For this reason, various studies have been carried out, globally, regionally and locally with an aim of establishing the factors that influence the successful implementation of strategic plans with in consistency in research findings. In addition to that, only few studies had been carried out in regard to strategic plan implementation among mission hospitals in Kenya and the study sought to establish influence that human resource had on strategic plan implementation among Mission Hospitals given the fact that churches have a lot influence in these institutions and they are regulated and funded by government as is the case in public hospitals.

1.2 Statement of the Problem

Strategy implementation is key for the success of an organization. This is because well formulated strategies may fail to produce the desired performance for the organization if they are not successfully implemented. Making a strategy work or implementing it throughout the organization, is however, not an obvious process. In the recent past, many strategic plans have been prepared and still have remained in the shelves without any benefits being realized from their implementation. According to Karana, Patel and Ian (2017), only 5% of the listed companies in Kenya were able to fully implement their strategic plans. Various studies have been carried out to identify factors that influence implementation with non-consistent results being found. Therefore there was need for a study to be carried out to establish which factors really influenced implementation of strategic plans.

In the recent past mission hospitals have been on the spot light especially in the implementation of strategic plans given that, they are not run like government hospitals. According to Alali (2015), they seemed not to adhere to their strategic plans and most of their strategic plans failed in the year 2015. Human factor had been mentioned as one factor that contributed to strategic plan implementation. Therefore, the study sought to examine the influence of human resource factors on strategic plan implementation by focusing on mission hospitals in Nyeri County.

1.3 Research Objective

The main aim of this study was to identify the influence of human resource on implementation of strategic plans among mission hospitals in Kenya.

1.4 Scope of the Study

The research focused on the influence of human resource on implementation of strategic plans among mission hospitals in Kenya. The study narrowed down to mission hospitals in Nyeri County and the rationale of focusing on Nyeri County was because it has one of the oldest mission hospital and it also have hospitals that are regulated by both CHAK and KCS. Additionally, Tumutumu hospital one of the mission hospital in the county was on the process of starting a large multibillion project called “Piga Cancer Teke” which will be the largest cancer center in Kenya (Tumutumu hospital, 2017) which required proper implementation for it to be successful. The target population of the study were 380 workers working mission hospitals in Nyeri County.

2. Literature Review

2.1 Theoretical Frame Work

The study was grounded on Resource-Based Theory. The] theory explains impact of strategic resources in an organization to its performance. The theory focuses on the relationship between an organization’s resources and its performance (Hoskisson, *et. al.*, 2017). According to the resource based theory, organizations with more strategic resources derive more competitive advantage over organizations that lacks these resources. The theory argues that organizations achieve competitive advantage over their competitors from value creation and implementation of the various organizational strategies through effective use of its core resources (Barney, 2014).

It is also supported by the traditional definition of strategy that proposes that firms should select strategies that make use of their capabilities and core resources effectively in order to achieve above-normal rates of return. The theory of industry and Competitive analysis argues that an inferior organizational performance could result from its failure to choose between one of the generic strategies among the potential competitive in the strategy space (Campbell-Hunt, 2000). According to the most recent developments in the resource based view capabilities are essential contributors to the implementation of organizational strategy (Tippins & Sohi, 2003). This theory states that when organizations implement appropriate strategies exploit their capabilities and internal resources they create value and improve their earnings too. The strategic management theory, which is also in support of this theory focuses and has considerable interest in Intellectual Capital which are intangible resources and how they are deployed within an organization (Hill, Jones & Schilling, 2014).

However, this approach does not imply all organizational resources leads to competitive advantage but only the core resources will. The long term competitiveness of a firm depends on how well the firm utilizes the resources it. A resource is a stock, supply of materials, staff, money or any other asset that a firm need to

acquire so that it can function effectively. Most organizations classify resources into either external or internal (Ahmad, Bosua & Scheepers, 2014). Therefore the Resource-based theory, identifies that a firm's sustainability and performance depend on the non-imitability, uniqueness and rareness of its resources. The theory helped in developing the independent variable of the study.

2.2 Conceptual Framework

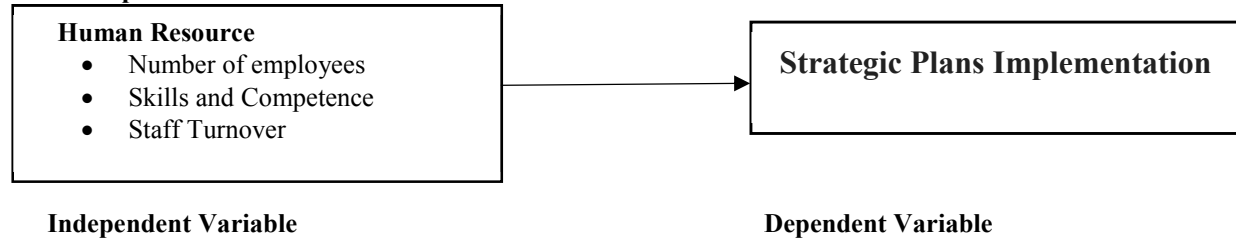


Figure 2.1: Conceptual Framework

2.3 Empirical Review

Maina (2017) carried out a research to examining the factors influencing implementation of strategic plans in state corporations in Kenya. The study used a case study of Kenya coconut development authority in Mombasa. The study adopted a survey research design. Where 30 employees of Kenya Coconut Development Authority participated in the study and structured questionnaires were used to collect primary data. The study found out that organizational culture, structure, strategic leadership, and both human and financial resources affected implementation of strategic plans in the corporations. Culturally, poor internationalization of mission and strategic content, lack of participation in making of rules and regulations, lack of operational manuals, insensitive employee development policies, and highly structured downward communication effected employees' mobilization to executing strategic plans (Maina, 2017).

Kevogo and Waiganjo (2015) carried out a research to establish the factors influencing implementation of strategic plans in public secondary schools in Kenya. This research was a survey of public secondary schools in Thika west sub-county. The study employed a descriptive design targeted 17 public secondary schools in Thika West Sub-County in Kiambu County with respondents being school principals, head of departments, teachers, board of governors members (BOG) and parent and teachers association (PTA) members. Observation, interview schedules and questionnaires were used for data collection. The study revealed that 87.5 percent of the schools in the case study had formulated strategic plans but were not utilizing them. It also established that allocation of resources was the most significant factor influencing the implementation of strategic plans followed by organizational structure (Kevogo & Waiganjo, 2015).

Lemarleni, Ochieng, Gakobo, and Mwaura (2017) examined the effects of resource allocation on strategy implementation at Kenya in a case study of the Police Service in Nairobi County. The study was a descriptive research which utilized the resource-based view theory which view the organization as a bundle of resources and capabilities made up of physical, human, intangible and financial assets, and McKinsey 7S framework whose central idea is organizational effectiveness which is a result of interaction of various factors. The study concluded that there was a strong and positive correlation between organizational culture, financial resource, technological resource and human resource and strategy implementation. However, the study concludes that there is no significant effect of organizational structure on strategic plan implementation (Lemarleni, *et al.*, 2017).

3. Research Methodology

3.1 Research Design

The study used descriptive and correlational research design. The descriptive research design was used to explain the phenomenon of implementation of strategic plan while correlational design was used to establish the relationship between the independent and the dependent variable.

3.2 Target Population and Sampling

The target population of the study was 380 employees working in the mission hospitals in Nyeri out of which a sample of 114 employees was selected. According to Mugenda and Mugenda (2006), a 30% sample is a representative of the entire population. The study used stratified random sampling to select samples in the hospitals while simple random sampling with the help human resource assistant was used to select employees employed on permanent basis randomly.

Table 3.1: Target Population and the Sample used in the Study

Hospital	No. of employees	30% sample
Tumutumu Mission Hospital	174	52
Consolata Mathari Mission Hospital	140	42
Mary Immaculate mission Hospital	66	20
Total Employees	380	114

Source: (Author, 2018)

3.3 Data Collection Methods and Procedure

Primary data was collected with the help of structured questionnaire. The questionnaires were administered through drop and pick procedure to reduce pressure on the respondents (Kumar & Phrommathed, 2005).

3.4 Reliability and Validity

Reliability of the research instrument was tested using Cronbach Alpha. The Cronbach alpha was 0.833 implying that the instrument was valid as according to George and Mallery (2003) Cronbach Alpha value of greater than 0.7 is regarded as satisfactory for reliability assessment. Before the questionnaires were administered for the actual they were tested through a pilot study and errors identified were rectified before actual study was done.

3.5 Data Analysis, Processing and Presentation

The collected data was cleaned, edited and analyzed with the help of SPSS (23), using descriptive, correlation and regression analysis. The collected data was cleaned and edited to ensure that incomplete and inaccurate data was eliminated. Person's correlation was used to assess the correlation between the variables while linear regression was used to assess whether the selected variable had any significant influence on the dependent variables. F-test was used to test the significance of model.

4. Data Analysis, Findings and Discussion

4.1 Response Rate and Gender composition

The rate of response rate was 85.09%. This response rate was good and representative and it conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting. 55% of the questionnaire were answered by male while the other 45% were answered by female workers. This implied that majority of the hospitals were men and there was gender representation and thus the results were not biased.

4.2 Descriptive Findings on Human Resource

The study sought to examine the influence of human resource factors on implementation of strategic plans among mission hospitals in Kenya and a Likert Scale ranging from strongly agree to strongly disagree as used with a maximum of 5-point was used. Where; 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree and 5=Strongly Disagree. The overall mean for each measure was rounded off to the nearest whole number.

Table 4.1 show that majority of the respondents revealed that the hospitals did not have the enough manpower (Mean=1.60) to implement their strategic plan. The hospitals also had not equipped their employees with the necessary skills (mean=1.37) as the respondents strongly agreed with the statement of the hospitals not equipping their employees with the necessary skills. The respondents agreed (mean=1.50) that the rate of staff of staff turnover hindered successful implementation of strategic plan in respective mission hospitals. The average mean for human resource factors was 1.50.

This implied that the majority of the respondents strongly agreed with the statement that were given in the questionnaires. This indicated that human resource in an organization influenced implementation of strategic plans. The new knowledge derived from the analysis was the skills that employees possessed were not adequate to implement strategic plan in respective hospitals and thus the hospitals were supposed to undertake specialized training on implementation of a strategic plan.

Table 4.1: Descriptive Analysis on Human resource Factors
Descriptive Statistics

	N	Mean	Std. Deviation	Variance
Hospital does not have adequate number of employees to implement strategic	97	1.60	.583	.340
Hospital has not equipped the staffs with the necessary skills	97	1.37	.639	.409
Rate of staff turnover hinders implementation	97	1.50	.667	.444
Valid N (list wise)	97			

4.3 Correlation and Regression Findings on Human Resource

The objective of the study was to examine the influence of human resources on implementation of strategic plans among mission hospitals in Kenya. To measure the human resource factors Likert scale was used with perception questions regarding to adequacy on number of employees, their skills and rate of staff turnover. The correlation findings revealed that there was a strong positive relationship between human resource factors and implementation of a strategic plan among the hospitals ($r=0.716$). The coefficient of determination (R^2) revealed that human resource contributed approximately 33.7% in implementation of a strategic plan among the sampled mission hospitals while the remaining 48.7 % can be explained by other factors as shown in table 4.2.

Table 4.2: Human Resource Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716 ^a	.337	.507	.49799

a. Predictors: (Constant), Human Resource

To test the overall significance of the model, a linear regression model was used to assess whether the human resource can be used to predict strategic plan implementation. The F-value revealed that the model was significant ($F(1, 95) = 99.887, P < 0.000$) at 5% level of significance as illustrated on table 4.3.

Table 4.3: Human Resource ANOVA^a

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.771	1	24.771	99.887	.000 ^b
	Residual	23.559	95	.248		
	Total	48.330	96			

a. Dependent Variable: Strategic Plan Implementation

b. Predictors: (Constant), Human Resource

4.4 Discussion on Human Resource Findings and Strategic Plan Implementation

The study sought to examine the influence of human resources on implementation of strategic plans among mission hospitals in Kenya and a Likert scale ranging from 1 to 5 was used to gather information on this research objective. Descriptive findings indicated that majority of the respondents agreed that human resource factors influenced strategic plan implementation. The correlational findings indicated that was a positive strong relationship ($r= 0.716$) between human resource and implementation of a strategic plan. The regression results revealed that human resource factors influenced ($R^2 = 0.337$) of strategic plan implementation. The ANOVA findings found human resource to have a positive and a significant ($p= 0.000$) influence on strategic plan implementation both individually and in aggregation with other factors.

The study findings agree with the findings of Maina (2017) who examined factors influencing implementation of strategic plans in state corporations in Kenya, where human resources were identified as the major influencers of strategic plan implementation. Kevogo and Waiganjo (2015) examined the factors influencing implementation of strategic plans in public secondary schools in Kenya and human resources were identified as the key factors influencing strategic plan implementation. This implied that no strategic plan could be implemented without the involvement of human resources and hence for a strategic plan to succeed there was a need of having the right human resources with the necessary skills as exhibited by the results findings. Mission hospitals were also required to hire people with the right skills to help them in implementation of their strategic plan and also reduce the rate of staff turnover as this influenced how strategic plan were implemented in different hospitals as well as increasing the number of employees.

5. Conclusion and Recommendations

It was concluded that the human resources factors influences the implementation of strategic plan among mission hospital in Kenya. These factors include; number of employees, skills and rate of staff turnover and this factor were significant and influenced strategic plan implementation. Based on the findings from this study, the researcher made several recommendations. Based on the conclusion that human resource factors influenced implementation of a strategic plans, it was recommended that all mission hospitals should have strategies to attract and retain talented employees. Staff turnover was also identified as one of human resource factors that influenced implementation of strategic plan, thus mission hospitals should come up competitive strategies such as award compensation packages, fringe benefits among other as a way of reducing staff turnover which influenced strategic plan implementation.

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