CHALLENGES OF STRATEGY IMPLEMENTATION IN PRIVATE HOSPITALS IN KENYA: A CASE OF AGA KHAN UNIVERSITY HOSPITAL

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ABSTRACT
The global business environment has evolved since 1990. The modern business environment and fast changing global economy demands high productivity, speed and flexibility for organizations that seek to thrive. This has brought new realities in the form of new business opportunities for growth and, at the same time has exposed companies to new competitors. Data from the recent studies in Kenya has shown that effective implementation of strategy has become the goal of many organizations. However, in translating their grand plans into action, unacceptably high rates of failure has been reported among many companies. This study examined the challenges of strategy implementation in the health sector of a developing economy, and more specifically, the challenges posed by leadership, corporate structure, technological changes and communication in the implementation process. It adopted a descriptive research design approach. The target population for this study was the managerial staff at the Aga Khan Hospital. A sample of 89 respondents was selected from a target population of 115. Primary data was collected through questionnaires that was administered through “drop and pick later” method while secondary data was collected through document review. A detailed review of literature on strategy implementation and the effect of the selected factors were examined. Quantitative data collected using questionnaires was analyzed by the use of descriptive statistics and correlation analysis. The statistical Package for Social Sciences (SPSS) was used in the analysis. Content analysis was used to analyze qualitative data. The data collected was tested in relation to the results of the study and conclusions were drawn. The study revealed that corporate communication affected the most implementation of strategies; followed by leadership and corporate structure, with technological changes rated the least. Based on the findings, it is recommended that for private hospitals to improve on the implementation of their strategies there is need to sensitize management staff on the importance of organizational structure. The study recommends that the leadership invest more time in ensuring employees at all levels feel engaged in and motivated by the execution process. A “cascading” design and implementation process should be adopted to enhance communication and employees ownership of the process.

KEY WORDS: Strategy, Strategy Implementation, Private Hospitals, Leadership, Corporate Structure, Communication, Technological Changes.
INTRODUCTION

Business organizations’ interest in strategy execution has grown in recent years and will continue to do so. The focus on execution is expected to endure as a critical business issue. Strategy implementation involves organization of the firm’s resources and motivation of the staff to achieve its set objectives. The ability to execute the strategy is a bigger management challenge today than determining the right vision and the quality of the strategy itself (Kaplan and Norton, 2001). In the Conference Board’s list of the top ten CEO challenges in 2007, “execution excellence”, ranked number one worldwide. According to the respondents execution is a bigger challenge for them than is risk management, staying on top of the market trends, or even ensuring top-line growth. Clearly, the ability to transform strategic plans into action is a universal concern.

With increased competition, rapid technological advancement, shifting economic regulations and increased demand on non-price competitive advantage most companies have been compelled to review their business strategies. The magnitude speed and impact of change are greater than ever before, new production processes and services have emerged. To deal effectively with everything that affects the growth and profitability of a firm, the managers employ management processes that they feel position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands (Pearce and Robinson, 2007). The concern is that focus is often lost as the realities of day-to-day operations and the issues that arise soon overwhelm any notion of strategic direction.

Successful CEO’s know that strategy gets you to the starting line, but it is its execution that gets you to the finish line (Zagotta & Robinson, 2002). A well formulated strategy, great product, or breakthrough technology can put an organization on the competitive map, but only a solid execution can keep it there. Strategy formulation on its own cannot make a company gain competitive advantage over its competitors thus the implementation process is quite essential for a company.

Strategy

There is no single universally accepted definition of strategy. Different authors and managers use the term differently. Thompson (2005) defines it as a management’s action plan to grow the business, attract and please the customers, compete successfully, conduct operations and achieve target levels of organizational
performance. According to Johnson, Scholes and Whittington (2005) strategy is “the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.” Strategy definitions reflect the cognizance of the turbulent external and internal environment (Johnson and Scholes, 2004). Change in the external environment, dictates that an organization redraws its strategy, and realigns itself accordingly for survival, growth, or takes opportunity of emerging synergy. The concept of strategy defines how a firm relates to its environment and it takes into account the internal capabilities of the firm which defines the firm’s competitive advantage. Ansoff and McDonnell (1990) observe that strategy is used as a yardstick to measure firm’s performance and to define its relationship with the external environment. It takes into consideration both the immediate and remote environments. Strategy outlines the obligation of the firm to its stakeholders (Johnson & Scholes, 1999). It helps to define the specific business of the firm in terms of products, markets and geographical scope. It is about achieving competitive advantage through being different in delivering unique service or product (Porter, 1996).

**Hospital Industry in Kenya**

The health sector in Kenya comprises of the public system, with major players being the Ministry of Health and parastatal organizations; and the private sector, which includes private for profit, Non-Governmental Organizations (NGO’s), and Faith Based Organizations (FBO) facilities. Health services are provided through a network of over 4,700 health facilities countrywide, with the public sector system accounting for about 51 percent of these facilities (Muga et al., 2004).

Kenya’s health management system consists of eight administrative regions, divided into counties. Under the country’s new decentralization strategy, counties are responsible for delivering health services and implementing health programs and are considered to be the central element of the public health system (Wamai 2009). At the regional level, management responsibilities are split between the Provincial Health Management Team (PHMT) and the Provincial Medical Services Management Team (PMSMT). The PHMT is headed by the Provincial Director of Public Health and Sanitation while the PMSMT is housed at the provincial general hospital of the province and is headed by the Provincial Director of Medical Services. The PMSMT focuses on curative services (generally levels 4-6).
The country’s service delivery system infrastructure includes the national teaching and referral hospitals (Kenyatta and Moi), provincial hospitals, county and sub-county hospitals, health centers and dispensaries. National referral hospitals are at the apex of the health care system, providing sophisticated diagnostic, therapeutic, and rehabilitative services. The county hospitals concentrate on the delivery of health care services and generate their own expenditure plans and budget requirements based on guidelines from the Ministry of Health. The government health service is supplemented by privately owned and operated hospitals and clinics and FBO hospitals and clinics. The extensive network of private healthcare facilities ranges from small local clinics, to large, high-class hospitals. The private sector delivers approximately one-third of the outpatient care and 14% of inpatient care in the country (GOK, 2009).

**Aga Khan University Hospital, Nairobi**

The Aga Khan University Hospital Nairobi (AKUHN) is a private, not-for-profit institution established in 1958 under the aegis of the Aga Khan Health Service, Kenya. It became a teaching hospital on May 1, 2005 and came under the management of Aga Khan University (AKU). The decision to upgrade the Hospital to a tertiary level teaching hospital was taken in order to respond to the health care needs of the people of East Africa. AKUHN is a premier provider of ambulatory care and quality inpatient services, including critical care.

AKUHN has set the standard for comprehensive health care and modern medical education in East Africa. In recent years, the Hospital has grown, expanding services and upgrading their facilities. The expansion program has emphasized the introduction of new diagnostic services and the raising of the quality of care to international standards. As the teaching hospital for Aga Khan University’s Medical College and School of Nursing and Midwifery, AKUHN practices an evidence-based approach to medicine, driven by the cutting-edge research conducted by its experienced faculty members ([www.agakhanhospitals.org/nairobi](http://www.agakhanhospitals.org/nairobi)).

**Statement of the Problem**

The amount of an organizations goal achievement and how to consider all aspects for reaching the desired ends remains important to many organizations worldwide. However, the greatest challenge for contemporary managers is competition and dynamism of environment and unknowns of the outside and inside of the organization that each affect the implementation of plans especially strategic ones. Executives invest enormous energy in product designs and long-range strategic plans, though many of
these initiatives become obsolete as markets and competitors adapt, social norms and regulations evolve, and technologies advance (Lowell & Claudia, 2007).

In Kenya today, the competitive environment that dominates various sectors of business surrounding has made the need for sound business strategy and strategy development increasingly apparent. But the real value of a strategy can only be recognized through execution. The ability to execute a strategy is more important than the quality of the strategy itself (Martin, 2010; Muguni 2007).

Private hospitals operate in an environment faced with ever changing technology, government policies and ever increasing shareholder expectation making strategy implementation unique and quite challenging for the managers. Yet strategies adopted by these hospitals have significant effect on costs, quality, and access to health care. 70% of private hospitals in Kenya have tried to modify their development to be in accordance with the technological, economic and demographic changes, but despite this, new strategies still create administrative problems and economic inefficiencies (Wamai, 2009). This has had significant financial impact on the private hospitals profits and competitive advantage. Surprisingly, not many local studies have focused on the challenges of strategy implementation within the hospital industry in Kenya. It is against this backdrop that the purpose of this study was to highlight and examine some of the challenges faced by private hospitals in strategy implementation.

**General Objective**
To determine the challenges of strategy implementation in private hospitals in Kenya

**Specific Objectives**
To determine whether leadership affects strategy implementation in private hospitals in Kenya.
To establish whether corporate structure affects strategy implementation in private hospitals in Kenya.
To examine whether communication affects strategy implementation in private hospitals in Kenya.
To determine whether technological changes affects strategy implementation in private hospitals in Kenya.

**Literature Review**

**Theoretical Review**

**Sequential Thinking Theory**
Hrebiniak and Joyce (2006), suggests that implementation is not only an important and difficult process but also a complex field
of research. Most often than not, it is regarded as miscellaneous, interdisciplinary and particularly concerned with the integration of management disciplines. The proponents of this theory provide a step-by-step analysis that is relevant to the rational development of the implementation process by fragmenting them into smaller and manageable parts.

In an extensive analysis of firms exhibiting and sustaining an unusual high-performance and firms able to achieve such a state in the short run, they identified four key factors influencing high performance. These are, Direction: developing a clear strategic direction; Efficiency: establishing a fast and effective organization; Adaptability: developing an adaptive culture; and Focus: Shifting from focus on customer and cost reduction to the broad picture. According to Hrebiniak and Joyce (2006), the people in charge of implementation need both a sequential and a simultaneous thinking. This particularly applies to key decisions.

The sequential thinking defines a logical sequence or chain of causality or the relationship between consecutives and interconnected events. To design this chain, a manager should decide on the event or the first action (A) to be implemented. This raises the questions of what are the effects on event (B) and alternatively what are the necessary changes in (B) to support the implementation of (A). This implies that the relationship between event A and B must be established. After which it will be necessary to discern the link between the following events until the last relationship is established (Z). Although the utility of such step-by-step analysis is relevant to the rational development of the implementation process, the underlying simplicity and narrowness of scope is not enough. Consequently, the manager will need an integrative vision of the events to infer the total or final effect in the function and structure of the organization if each event is implemented and takes place.

Analysis in the implementation process should therefore be conceptually broad and not entirely focused on specific events. Embedding sequential and simultaneous thinking into the decision-making process of organizations is not an easy task and in some cases, it might be impossible. The complexity of the implementation process can be reduced by fragmenting it into smaller and manageable parts, often at the cost of losing the broader perspective. Just like at the formulation stage, the role of managers and their individual capabilities can provide the necessary combination of specific and integrative analysis. However, an organization must be able to institutionalize key capabilities embedded in individuals in order to sustain functions over time (Joyce, 2009).
Holistic Strategy Implementation Theory
In quest of finding a model for strategy implementation that could overcome existing challenges and deficiencies, Bourgeois and Brodwin (2004) have created a five-model system for strategy implementation categorizing strategy implementation practices. The most significant being the commander model, the change model and the collaborative. The commander model draws its influences from the military life, in the sense that the CEO wields absolute power. In this model the CEO is the rational agent behind the strategy decisions and plays no role in implementation. The CEO-models works best with a powerful executive with few personal biases and vast and accurate sources of information (Bourgeois and Brodwin, 2004).

The change model is based on planned interventions in the organization’s structure and systems, which will set off the desired behavioral outcomes. This model creates the ability to carry out more complicated strategic plans than the commander model, but also creates an additional inflexibility for unanticipated events and changes of plan (Ibid).

The collaborative model extends the power of strategic decision-making from the CEO to the organization’s management team. This model helps to motivate the managers and also provides the strategic decision-making-process with more information and cognitive capital. The problem of this model results from the fact that collaboration does not reach beyond top management. More decision making also means more politics and conflicts of interest, which may mean less rationality (Ibid).

Conceptual Framework

Independent variables

Dependent Variable

<table>
<thead>
<tr>
<th>Communication</th>
<th>Open</th>
<th>Clear</th>
<th>Informative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Structure</td>
<td>Formal/ Informal</td>
<td>Supportive</td>
<td>Vertical/Horizontal</td>
</tr>
<tr>
<td>Leadership</td>
<td>Motivating</td>
<td>Supportive</td>
<td>Rewards progress</td>
</tr>
<tr>
<td>Technological changes</td>
<td>Open new opportunities</td>
<td>Improve processes</td>
<td>Save costs</td>
</tr>
</tbody>
</table>

| Strategy Implementation | Improved performance | Market Share | Improved Internal efficiency |
Empirical Literature Review

According to the White Paper of strategy Implementation of the Chinese Corporations in 2006, strategy implementation has become "the most significant management challenge which all kinds of corporations face at the moment." The survey reported in the white paper indicates that 83 percent of surveyed companies failed to implement their strategies smoothly, and only 17 percent felt they had a consistent strategy implementation process. The key challenge for today's organizations are many (soft, hard and mixed) and the factors that influence the success of strategy implementation range from the people who communicate or implement the strategy to the systems' mechanisms for coordination and control (Yang et al., 2008). The challenges discussed included: strategy formulation, organization structure, organization culture, changing environment, operation planning, poor communication, resource allocation, and poor execution.

Raps (2004) note that strategy implementation processes frequently result in problems if the assignments of responsibilities are unclear. Clear understanding of strategy is a pre-requisite in strategy implementation. Clear understanding of strategy gives purpose to the activities of each employee and allows them to link whatever task at hand to the overall organizational direction (Byans et al., 1996). Additionally, Aaltonen and Ikava (2001) also asserted that lack of understanding of strategy is an obstacle of strategy implementation.

Implementing strategies successfully is about matching the planned and the realizing strategies, which together aim at reaching the organizational vision. The components of strategy implementation – communication, interpretation, adoption and action – are not necessarily successive and they cannot be detached from one another.

Corporate Structure

At the firm level, extant research has observed that effective relationship between strategy and structure is a necessary precondition to the successful implementation of new business strategies (Drazin & Howard, 2004; Olson et al., 2005; Miller et al., 2004). Ngulube and Tafor (2006) in a study on impact of management of records in the public sector in Africa found that structure in organizations in developing countries was significant in effective management of the sector. This is because structure leads to efficiency in operation. However, the researchers observed that structure in most public sectors in
developing countries were poorly managed and hence the poor performance of most public institutions.

Kaithia (2014), in his study aimed at investigating the factors influencing implementation of strategic plans and the challenges in public secondary schools. Insights that were obtained from systematic evaluation of 25 secondary schools in Igembe South district using the proposed research framework was used to develop an instrument to measure the effect of organizational structure on the implementation of strategic plans. He indicated management commitment and organization structure as the most important to successful implementation of strategic plans.

Communication

Executives and project managers around the world agree that poor communications contributes to project failure. The Forbes Insights 2010 Strategic Initiatives Study “Adapting Corporate Strategy to the Changing Economy,” found that nine out of ten CEOs believe that communications is critical to the success of their strategic initiatives, and nearly half of respondents cited communication as an integral and active component of their strategic planning and execution process.

Similarly, the Towers Watson 2011-2012 “Change and Communication ROI Study Report” shows that companies that have highly-effective communication practices are 1.7 times more likely to outperform their peers financially. In a study by Mbendyo (2011) on the Challenges of Strategy Implementation Kenya National Audit Office, found that lack of communication creates resistance from staff and lack of buy-in of the strategies and this does not enhance the understanding of the strategies. His study concludes that for any organization to experience successful strategy implementation and achieve its targeted performance there must be an elaborate policy on internal communication. This is contrary to Magambo (2012) findings that indicated that poor communication was never a challenge in state corporations.

An IABC/Watson Wyatt study Communication Competence and Business Success a Comparative Review of Communication Programs, 2001; and 2007/2008 Communication ROI Study found that just over half of high-performing companies had “well-defined communication strategies that allow employees to understand better their organization's business goals. Their conclusion was that poor or inadequate communication can lead to employee skepticism or outright resistance.

Clearly, organizations are very aware of just how critical effective communications is to the success of strategic projects and, ultimately, organizational success. However, the Pulse communications research finds that only one in four organizations can be described as highly-effective communicators. This suggests that the majority of organizations have opportunities to identify
problem areas and chart a course to improve the effectiveness of their project communications. The Pulse communications report quantifies just how much effective communications can lead to more successful strategies, and just how much ineffective communications can cost an organization.

**Leadership**

Lack of leadership, and specifically strategic leadership by the top management of the organization, has been identified as one of the major barriers to effective strategy implementation (Alexander 1985: 91–97; Business Day 1999: 37; Beer & Eisenstat 2000: 29; Kaplan & Norton 2004: 277; Hrebiniak 2005: 17). A study by Odadi (2002) revealed need for organization to carry out an evaluation of its leadership and organization readiness before embarking on the implementation program, Jooste and Fourie (2009) investigated the Role of Strategic Leadership in Effective Strategy Implementation: Perceptions of South African strategic leaders, their study deduced that strategic leadership contributes positively to the effective implementation of a strategy within an organization. This finding corresponds positively with the findings from the literature review.

Many authors discuss strategic leadership as a key driver of strategy implementation (Hrebiniak 2005; Hitt et al. 2007; Hsieh & Yik 2005; Bossidy & Charan 2002; Thompson & Strickland 2003; Kaplan & Norton 2004). In fact, the successful transition from strategy formulation to the implementation of strategy ultimately depends on the strategic leaders of the organization. Bossidy and Charan (2002), in their book *Execution: The Discipline of Getting Things done*, note that most executives and managers don’t understand the “discipline” of execution. The authors recommend a core set of processes built on a foundation of leadership behaviors, which create a culture of execution.

In Leadership Excellence, Murphy (2005), CEO of Leadership IQ, reiterated that lack of execution is much more damaging to a CEO’s career than lack of vision. Interviews with board members of 286 firms that had asked their CEOs to leave revealed that common reasons for ousters included mismanaging change, ignoring customers, tolerating low performers, denying reality, and having too much talk and not enough action.

**Technological Changes**

Larry Downes (The Industry Standard, 2001) makes this point persuasively based on his research into strategy execution mistakes. Specifically, Downes finds that “technology challenges the old rules and assumptions” and creates daunting “external obstacles to execution”. However, Muhindi (2013) examined the
Organizational Factors Affecting Adoption of Strategic planning in Mission Hospitals in Kiambu County. The findings of the study showed that while an unanticipated technological change can upset a strategy; the failure to recognize and react is what significantly erodes business performance, not the change itself. A survey conducted by the Economist Intelligence Unit and commissioned by SAP, found that more than 80% of respondents cited technology as being a key factor in their firm’s ability to adapt business models and execute strategy (“Survey Shows,” 2005). More than half (54%) said they would pursue competitive advantage via new business models as opposed to new products. In addition, respondents cited speed of strategy execution and innovation as their primary challenge over the next five years.

Research Gap
Recent research indicates that strategy implementation, rather than strategy formulation alone, is a key requirement for superior business. In addition, there is growing recognition that the high failure rate of organizational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies.

This study has identified that the various studies carried out on the challenges of strategy implementation are not comprehensive. While they have given the study a good basis for information, the studies are not elaborate enough and therefore one cannot draw generalized conclusions based on some of these studies. Most past local studies (Obare 2006; Koske 2003; Lumiti 2007; Ateng 2007; Kirui 2013; Muguni 2007) done in Kenya concur that good strategies have been written but very little has been achieved in their implementation. They give a good insight about strategy implementation but they do not explain the challenges that affect strategy implementation. For example, the study by Varmah in 2012 pays a casual attention on the challenges. In addition, these studies were not based on the hospital industry. This study therefore seeks to fill the existing research gap by carrying out a case study on the challenges of strategy implementation in private hospitals.

Methodology
Research Design
A Research Design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure (Babbie, 2002). The study adopted a descriptive design. Kothari (2004) defines descriptive research studies as those studies concerned with describing characteristics of particular individuals or group. This research design involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data. Descriptive design portrays the variables.
by answering the “who”, “what” and “how” questions (Babbie, 2002). Mugenda & Mugenda (2003) note that the purpose of descriptive research is to determine and report the way things are and it helps in establishing the current status of the population under study. The design was deemed appropriate as it provided an in-depth investigation on the challenges of strategy implementation within the organization.

Population

A study population comprises of the entire groups of individuals, objects, items, cases, articles or things with common attributes or characteristics existing in space at a particular point in time (Majumdar, 2005). The study population was the 2500 staff members of the AKUHN by December 2014. A target population according to Mugenda and Mugenda (2003) is that population to which a researcher wants to generalize the results of the study. The target population is summarized below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Administrators</td>
<td>23</td>
<td>20%</td>
</tr>
<tr>
<td>Section Heads</td>
<td>60</td>
<td>52.17%</td>
</tr>
<tr>
<td>General Managers</td>
<td>32</td>
<td>27.83%</td>
</tr>
<tr>
<td>Total</td>
<td>115</td>
<td>100%</td>
</tr>
</tbody>
</table>

The target population comprise of the General Managers, Program Administrators and Section Heads. This is because these are the people primarily involved in the implementation of chosen strategies and therefore best placed to provide the required information.

Sample and Sampling Technique

A sample as defined by Kumar (2005) is a sub-group or subset of a population of interest. Mugenda and Mugenda (2003), a researcher would have to use 30% of the target population as a sample size for it to be accepted as a good representative sample. Yamane (1967) provides a simplified formula to calculate sample sizes. A 95% confidence level and P = .5 are assumed for equation.

\[
\frac{n}{N} = \frac{1}{N} + \frac{1}{N} (e)^2
\]

Where \( n \) is the sample size of the respondent, \( N \) is the population size of the respondents and \( e \) is the level of precision. Thus a total of 115 will be selected to participate as respondents in the study.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Administrators</td>
<td>23</td>
<td>20%</td>
<td>18</td>
</tr>
<tr>
<td>Section Heads</td>
<td>60</td>
<td>52.17%</td>
<td>46</td>
</tr>
<tr>
<td>General Managers</td>
<td>32</td>
<td>27.83%</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>115</td>
<td>100%</td>
<td>89</td>
</tr>
</tbody>
</table>
Sampling Technique
Sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of characteristics found in the entire group (Orodho and Kombo, 2002). The study adopted a stratified random sampling technique to come up with the required sample since the population was heterogeneous. The goal of stratified random sampling is to achieve the desired representation from various sub groups in the population (Kothari, 2004). Subjects were selected in such a way that the existing sub groups in the population were more or less reproduced in the sample. Mugenda and Mugenda (2003) advices that to use stratified random sampling, one must first decide on the size of each stratum in the sample. In this study however, departments or sections already existed hence the first step had been met since each section performed unique task and therefore was homogeneous within itself and heterogeneous between other sections. The study identified all the sections of the hospital which will form the different strata before selecting the units from each stratum which were included in the sample.

Data Collection Instruments
The study deductions were pegged on both secondary and primary data. The secondary data formed the basis for comparison with findings and as a building block to answering research questions. It equally provided reliable information needed by the researcher to investigate the phenomenon and seek efficient ways for problem solving situations (Uma, 2003). This was obtained through desk reviews of documented sources. Primary data was collected through self-administered questionnaires. According to Dillman (2000) the use of questionnaires will make each respondent respond to the same set of questions and provide an efficient way of collecting responses from a large sample prior to quantitative analysis.

Validity
Validity refers to the accuracy and meaningfulness of inferences based on the research results (Kothari, 2004). Validity is concerned with the extent to which an instrument measures what it is intended to measure. It can be obtained by absence of errors in data collection. To establish the validity of the research instruments the researcher sought the opinions of experts in the field of study especially the lecturers in the department of business administration. This facilitated the necessary revision and modification of the research instrument thereby enhancing validity.

Reliability
Reliability is the measure to which a research instrument yield consistent results or data after repeated tools (Mugenda &
Mugenda 2003). Internal consistency describes the extent to which all the items in a test measure the same concept or construct and hence it is connected to the inter-relatedness of the items within the test. Reliability is enhanced by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures. The study used the Conbach’s alpha (α) to test the reliability of the data. Gliem and Gliem (2003) indicate that Conbach’s reliability coefficient normally ranges between 0 and 1. The closer the coefficient is to 1.0 the greater the internal consistency of the items in the scale. An alpha score of 0.70 was set as the threshold and considered satisfactory. The reliability statistic for each of the identified factor is presented in the table below.

### Reliability Coefficients

<table>
<thead>
<tr>
<th>Identified Factors</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate structure</td>
<td>0.83</td>
</tr>
<tr>
<td>Communication</td>
<td>0.91</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.74</td>
</tr>
<tr>
<td>Technological Changes</td>
<td>0.87</td>
</tr>
</tbody>
</table>

It is evident from Table above that Cranach’s alpha for each of the identified factors is well above the lower limit of acceptability of 0.70. The results indicate that the questionnaire used in this study has a high level of reliability.

**Data Analysis**

Data collected was analyzed using descriptive statistics. The descriptive statistical tools aided in describing the data and determining the respondents’ degree of agreement with the various statements under each factor. Quantitative data collected using questionnaires was analyzed by the use of descriptive statistics such as means, standard deviations and frequencies using SPSS. Content analysis was used to analyze data collected from the unstructured questions that is of qualitative nature. According to Baulcomb, (2003) content analysis uses a set of categorization for making valid and replicable inferences from data to their context. Multiple regressions were further utilized to analyze the effect of each variable on implementation.

**Data Presentation**

Quantitative data was presented through statistical tools such as frequency distribution tables, charts, graphs and other figures applicable in data presentation. Also secondary data was organized in the appropriate format in excel for analysis.

**Findings and Discussions**

**Response Rate**

The study targeted 89 respondents in collecting data with regard to establishing the challenges of strategy implementation in
private hospitals in Kenya. From the study, 72 out of the 89 sampled respondents filled-in and returned the questionnaires making a response rate of 80.89%. Mugenda and Mugenda (2003) observed that a 50% response rate is adequate, 60% good, while 70% and above rated very well. This collaborates with Bailey (2000) assertions that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertion, the response rate of 80.89% is therefore very good. This reasonable response rate was made a reality after the researcher made personal calls and visits to remind the respondent to fill-in and return the questionnaires.

Results of the pilot study
Reliability refers to the extent to which a measuring instrument contains variable errors that appear inconsistent from observation during any one measurement attempt or that vary each time a given unit is measured by the same instrument. Construct validity is established by relating measuring instruments to a general theoretical framework in order to determine whether the instrument is tied to the concepts and theoretical assumptions they are employing (Nachmias and Nachmias, 2008). SPSS version 21 program was used as the tool of analysis to test the relationship between the dependent variable and the four independent variables as indicated in the table below. Cronbach’s alpha of well above 0.7 implies that the instruments were sufficiently reliable for the measurement. As most item total correlations were reasonably high, the construct validity of the instruments was considered reasonable (Brown, 2000).

<table>
<thead>
<tr>
<th>Variable/Construct Description</th>
<th>Items</th>
<th>Mean</th>
<th>Items Standard Deviation</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Structure</td>
<td>3.3542</td>
<td>0.55731</td>
<td></td>
<td>0.83</td>
</tr>
<tr>
<td>Communication</td>
<td>2.9361</td>
<td>0.74895</td>
<td></td>
<td>0.91</td>
</tr>
<tr>
<td>Leadership</td>
<td>2.8417</td>
<td>0.72379</td>
<td></td>
<td>0.74</td>
</tr>
<tr>
<td>Technological Changes</td>
<td>2.9444</td>
<td>0.45560</td>
<td></td>
<td>0.87</td>
</tr>
</tbody>
</table>

Corporate Structure
It is evident that respondents differ in their perceptions. More than half (65.27%) agree the structure is aligned to the organizational strategy giving it a mean score of 3.33. Almost 3 out 5 (59.72) respondents agree to a ‘less’ and ‘moderate extent’ that the structure offers flexibility in decision making with only 6.94% (5) rating it to ‘no extent’. However, more than half of the respondents (51.38%) agree to a ‘large extent’ and ‘very large extent’ that understanding of the role of organizational
structure in strategy implementation is a hindrance in the execution process. Most of the respondents 56.9 % agreed to ‘moderate extent’ that the structure promotes clear allocation of roles and tasks giving it a mean score of 3.35. More than half of the respondents agree that the structure allows effective management of relationships between units with 15.27% rating it to a very large extent. The mean score for this item was 3.50. The responses indicate that majority of the respondents are of the opinion the structure is relatively flexible in decision making and effective in clear allocation due to the limited understanding of its role thereby a challenge to effective implementation.

Communication
The study found that it is evident that the mean scores for 3 out of the 5 statements are less than 3.00. This is an implication that many of the respondents did perceive these factors to be among the key challenges of strategy implementation in their organization. Most of the respondents agreed to a very small extent that the strategic plans and the progress on the implementation are regularly and timely communicated. The mean score was far less than 3.0 (M=1.35). Half of the respondents were of the opinion that to ‘small’ and ‘moderate extent’ the communication links strategic objectives with the day to day objectives at different levels and locations in their organization with a further 16.66% of the respondents rating it at ‘no extent’. The mean score for this item was 2.86. More than half of 54.16% of the respondents indicated the organizations communication did not provide for honest upward conversations from staff. According to the respondents the communication to a moderate extent permitted and solicited feedback from the staff with regard to implementation as well as sufficiently defining the key implementation tasks and activities. These items posted a mean score of above 3.00 that is (M=3.21) and (M=3.17) respectively.

The main finding of the study is that the respondents perceive poor information flow from the top to the other levels of the organizations and poor link between the strategic objectives with the day to day objectives as the challenge to effective strategy implementation in their organizations.

Leadership
More than half of the respondents (56.94%) agree that to a small extent the leadership provides a structured path, clear milestone and a defined picture of what success looks like. Most respondents (73.61%) believed to a ‘moderate extent’ that the leadership invests time in articulating and sustaining the vision.
and the mean score of this item is above 3.00 (M=3.31). However, more than half of the respondents (58.33%) agree to a small extent that the leadership motivates employees to be committed to the organizational goals and objectives with a significant 22.22% rating at ‘no extent’. The mean score for this item is less than 3.00 (M=2.82). Almost 3 out of 5 respondents (61.11%) agree to a small extent the leadership provides measurable objectives reflective of the strategy and the mean score is less than 3.00 (M=2.40). Most of the respondents (84.72%) to a small extent agree that leadership recognizes and rewards progress in the change effort, but the mean score of this item is above 3.00 (3.21).

The responses indicate that majority of the respondents perceive low levels of employee motivation as a result of poor recognition and reward system in the change effort, to be a challenge in effective strategy implementation. This finding supports the findings of Jooste and Fourier (2009) which emphasized the importance of the role that strategic leadership plays in the determination strategic direction and effective strategy implementation.

**Technological Changes**

It is evident from the findings that the mean score of four out of the five items exceed 3.00. This is an indication that the respondents were of the opinion that all the mentioned statements on technological changes least affected strategy implementation in their organization. Most of the respondents agreed to a small extent that technological changes affected strategy implementation in their organization. Almost all the respondents’ (84.72%) agree to a large extent that the organization provides the necessary training ensure that the employees keep up with the technological changes although only 0.08% rated it to a ‘very large extent’. The statement mean score was above 3.00 (M=3.25). Similarly, the respondents agree to a large extent the organization has adopted technological forecasting in coping with the change processes. The respondents agreed that to a moderate extent, technology adopted is agile and flexible to accommodate the technological changes and the organization responds better to existing technological challenges and improve the anticipation of future developments. These statements mean were 3.71 and 3.76 respectively.

**Co-efficient of Correlation**
There is a positive strong relationship between strategy implementation and the independent variables as shown by the Pearson’s co-efficient correlation which is significant as indicated by the P-value at 95% level of confidence.

**Co-efficient of Determination**

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.815*</td>
<td>.665</td>
<td>.630</td>
<td>.12468</td>
</tr>
</tbody>
</table>

The co-efficient of determination R-squared, 66.5% which implies that 66.5% of variations of changes in the dependent variable can be explained by variations in the independent variables.

**The Regression Equation**

\[
Y = 0.262 + 1.721X_1 + 0.133X_2 + 0.541X_3 + 0.561X_4
\]

\[
\text{Standard Error} = 0.597, 0.279, 0.178, 0.178, 0.147
\]

Y= Strategy Implementation  
X₁= Corporate Structure  
X₂= Communication  
X₃= Leadership  
X₄= Technological Changes
The model presents a unit change in the corporate structure caused a 1.721 increase in the strategy implementation. A unit change in the communication caused a 0.133 increase in the strategy performance. A unit change in the corporate leadership caused a 0.541 increase in strategy implementation while a unit change in the technological changes caused a 0.561 increase in strategy implementation. Holding all other factors constant with the absence of corporate structures, communication, leadership and technological changes caused an increase of 26.2% increase in the strategy performance. The independent variables identified have effects on strategy implementation though the effect varies with different variables.

**Content Analysis**
When asked to describe their role in strategy implementation in the organization the respondents views varied depending on their positions. The managers; anticipate, envision and empower others. They also do budget and planning and are involved in creating an enabling environment through training and development. The program administrators were of the opinion their role involved cultivating a culture that integrates strategy with the day to day activities, managing the change environment and mobilization and allocation of resources. The department heads roles were mostly centered on day to day activities. On the other factors that were perceived to affect strategy implementation majority of the respondents mentioned internal creativity and innovativeness, work force capability, market forces, employee motivation and reward were highly rated. These were followed by workforce commitment, changing customers’ needs and demands, changes in government policy reward system, employee attitude & behavior, corporate identity respectively.

**Summary**

**Corporate Structure**
The study found that corporate structure to a very extent affected strategy implementation in the hospital. The understanding of the role of organizational structure was established to be marginally above average. This implied that the structure was poorly managed thus leading to inefficiency in operation thus a hindrance in the execution process. The findings on organizational structure supports the findings by Ngulube and Tafor (2006) in a study on the impact of management of records in the public sector in Africa that the structure in most public sectors in developing countries it contradict the findings of a study carried out by Magambo (2012) that found that the organizational structure did not influence strategy implementation.
Corporate Communication
The study sought to examine whether communication affects strategy implementation. The findings of the study revealed that the communication to a large extent affected strategy implementation. Communication was not regular and timely, and did not solicit feedback from the lower levels. It further revealed that there was a weak link between the communications done by the top management on the strategy with the day to day objective at different levels and locations. As a consequent, it created a level of and doubt with regard to effectiveness of strategy implementation. The finding of this study is consistent with the findings of Ng'ang’a and Ombui (2013) on the Factors Influencing Implementation of Strategic Plans in Public Secondary Schools in Lari District, Kiambu County in which communication was found to contribute substantially to the implementation of strategic plans. Communication was found to serve as the link between the three levels of management and ensured that responsibilities and duties were clearly explained.

Leadership
The study revealed that the leadership did very little to motivate the employees. Moreover, there was no recognition and rewarding of progress in the change effort. It was also evident from the study that the leadership did not provide measurable objective reflective of the strategy and thereby not clearly providing a structured path and definition of what success looked like. This indicates that most employees were not in psychological contract with their employers. The finding of the study agrees with the findings of Azhar et. al. (2008) in their study of the role of leadership in strategy formulation and implementation in which they concluded leadership affect implementation and that the most important task of leadership is to align its vision with the organization’s goals and objectives so that organization can compete with dynamic environment efficiently and to train and motivate the people to achieve the vision.

Technological Changes
Finally, the study sought to determine the influence of technological changes on strategy implementation in private hospitals. Majority of the respondents did acknowledge the role technology in the hospital environment but did not find it to be a challenge to the implementation of strategies and rated its’ effect to a small extent. The findings of the study contradicts a survey conducted by the Economist Intelligence Unit and commissioned by SAP in 2005, in which more than 80% of respondents cited technology as being an important factor in
their firm’s ability to adapt business models and execute strategy.

Conclusion
Corporate Structure
Corporate structure was found to affect strategy implementation to a large extent. The study concludes that there was need to sensitize the management staff on the importance of corporate structure on strategy implementation and that the structure should offer flexibility in decision making.

Corporate Communication
The study concludes that a timely and regular communication was not done and that the communication done did not solicit feedback from the lower levels. This resulted in uncertainty characterized by factors like inadequate communication and feedback, confusion over goals or expectations, and conflicting accountabilities. These ratings hint at the turmoil that employees face when attempting to accomplish goals that support the organization’s strategy.

Leadership
From the findings, the study further concludes that leadership to great extent affects the implementation of strategies in private hospitals. The study highlighted that most employees were not in psychological contract with the leadership and there was a general feeling that the leadership did very little to provide clear milestones and a defined picture of what success looks like resulting into low levels of motivation.

Technological Changes
The study concludes that the technological changes to a very minimal extent affect strategy implementation. From the respondents, technology plays a key role in the organizations’ ability to adopt new business models and therefore it closely monitors the factors affecting technological change and they are better prepared to accommodate them.

Recommendations of the Study
Based on the findings, the study recommends that the management staff be sensitized on the importance and the role of organizational structure in matching appropriate administrative mechanisms and strategy to reduce uncertainty within the firm, enhance decision making and increase effectiveness. On communication, the study recommends a “cascading” design and implementation process for the organization in which strategic information flow downward from the executive to the managers and
employees, and back to the executive carrying identified changes that need to be made in order to successfully implement the strategy. The process two major objectives are: to engage people in the alignment process and to ensure that support from top leaders for the strategy is highly visible. This will help alleviate uncertainty and doubt.

The study recommends that the leadership invest more time in ensuring employees at all levels feel engaged in and motivated by the execution process. The leadership actions play an important role in growing internal capabilities and promoting entrepreneurship therefore motivating people and developing their priorities should be their priorities.

Finally, a number of complex factors hasten technological change. Limits on performance, breakthrough technology, market competition, manufacturing capability, economics, and changing needs of consumers all play a role and therefore must be constantly watched if the organization is to succeed.
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