EFFECT OF ORGANIZATIONAL STRATEGY ON PERFORMANCE OF LARGE PRIVATE HEALTH FACILITIES IN KENYA

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ABSTRACT

Different researchers have demonstrated organizational strategy as one of the modalities by which firms achieve their objectives. The main objective of this study was to ascertain whether or not strategy significantly influence performance. Through a cross-sectional descriptive survey, data from 58 large private health facilities were gathered using a structured questionnaire and analyzed using descriptive statistics. The results revealed that organizational strategy has not statistically significant effects on the performance of the facilities. Conclusively, the facilities do not align their strategies for the achievement of better performance. The findings contribute to the general body of knowledge and provide a backdrop for further advancement of theory and research on certain strategic orientations. The study informs the policy makers on the need to set mechanisms that support strategy in view of different aspects of performance. The study limitations included a wide geographical spread of the facilities and limited generalizability. Based on the limitations of the study, areas for further research have been suggested to address other contexts as well as using different methodologies and conceptualizations.

Keywords: Organizational Strategy, Organizational Performance, Futurity, Proactivity, Analytic, Efficiency, Effectiveness, Relevance, Financial viability.

INTRODUCTION

Extant literature recognizes Organizational performance as a critical aspect of businesses due to the pertinent position it occupies in shaping the success and survival of an organization in a given market place (Aosa, 1992). Being a multifaceted concept, Performance is affected by a variety of variables. Generally, an organization is an institution that is deliberately designed to meet a certain goal and objectives (Odhiambo, 2014). To do that meaningfully, management develops a road map that guides not only the activities but also resource allocation. That which is perceived as the road map is what an organizational strategy is according to Bourgeois (1980). The processes of formulating and executing a strategy are done in according to the values and performance objectives of an organization. Although it is an important aspect in performance enhancement, strategy is not the only factor as performance is shaped by a multiplicity of other factors, for instance, organizational culture (Ping et al., 2011).

Large private health facilities which form the unit of this study occupy a prime part in propelling the realization of Universal Health Care (UHC) across Kenya. As far as Kenya is concerned, UHC has always been of utmost priority and it is not a wonder, that it tops the current government regime's newfound development initiative of the Big Four Agenda (Ministry of Health, 2017). The bigger part of the health workforce in Kenya operates in the non-government health sector. This implies that the medical doctors who form 75% and clinical officers and nurses who form 66% render their services in private health facilities (Kenya Healthcare Federation- KHF) (2016).

Unlike in public health sector, private health facilities face fewer matters that lead to overworking by staff, a factor that may lead to stress, strikes by workers and other consequences. Besides, the private facilities in most of the times offer more attractive salaries as well as general motivation to the employees. Notwithstanding these factors, medical specialists in the country are so few that they do not match the so needed services. Therefore, the few medical specialists that there are in Kenya are left with a high bargaining capacity. Therefore, the doctors practicing in private health facilities enjoy higher salaries and other morale-boosting incentives out of the fear of expertise loss (KHF, 2016) than their counter parts operating in public sector.

As a result of this distinct style of operation or culture, the costs of healthcare in private health facilities are usually higher compared to those in public health facilities. This implies that to maintain effective performance, the private health facilities must adopt strategies that match their unique organizational cultures. Further, the strategies must align to the changing times currently being experienced in the Kenyan healthcare sector, such as the aspect of Kenya growing into a middle class economy, stiff competition as well as increasing demand for quality accessible health services (KHF, 2016). Large private health facilities are operational in every part of the country, that is, in rural and urban areas alike; and they serve all categories of people. Their upward trend in performance would enable them open new centers and satellites even in the poorest zones of the country, hence make services available at the grassroot to the poor people. This would go a long way into even creating jobs for so many young people that are jobless today.

Given the current trend in global competition arising from business globalization and technological advancements, large private health facilities are compelled not only to build on available resources, but also focus on long-term customer relationships. They often find themselves in competitive situations where the external environment on which they depend and to which their services are rendered is ever changing. Therefore, shedding light on how strategy influences performance of the health facilities in private sector, could serve as a basis for which these organizations can institute appropriate strategic actions and policies that suit their internal and external circumstances. In the previous studies undertaken in the Kenyan health sector, the researcher had not come across one that had tested this relationship. The past studies evidence

that they had addressed either different units of study, industries or diverse other contextualization. This research was thus inspired by a strong desire to fill this gap.

Research Problem

The concepts of organizational strategy and performance have been found to interact in a manner that reflects the performance of structure-conduct framework of industrial organization economics. The underlying principle of this interaction is that the organization operates in an environment (market structure) that shapes its strategic behaviour (conduct), which in turn determines its performance. Empirical studies of this linkage have adduced evidence to support the view that organizations which are able to appropriately and adequately react to turbulence in the environment by way of instituting appropriate strategies report positive performance (Venkatraman and Prescott, 1990). The environment in which large private health facilities in Kenya operate is characterized by complexity and turbulence. Complexity arises even from the high level of regulations by the Ministry of health. Further, there are various stakeholders that the private hospitals must deal with, such as the potential patients, medical suppliers and insurance companies.

There exists evidence in the past literature pertaining studies done on the predictor variable in this study in relation to performance. For instance, Khan and Huda (2016) established a positive impact of strategy execution and performance outcomes of tertiary hospitals in Pakistan. A study in a Kenyan context conducted by Omari et al., (2016) found that adoption of competitive strategies was positively associated with performance of private hospitals in Kisii County. Exploration of the extant literature revealed some gaps in knowledge whose address is the task of the current study. Literature demonstrates that studies pertaining to performance and what may buffer or impinge its outcomes have been studied in different contexts. For instance, Khoshtaria (2018) focused on US-based manufacturing companies; Zhao et al. (2018) on Chinese companies; Noh et al. (2011) on Korean nursing facilities; Khan and Huda (2016) on Pakistani tertiary hospitals and Omari et al. (2016) on private hospitals in Kisii County. While a substantial amount of studies have been carried out in organizations operating in diverse geographical contexts such as USA, China, Korea and Pakistan, the findings and conclusions may not be extended to large private health facilities operating in the Kenyan context because of its unique manifestations in terms of literacy and poverty levels, economic, demography and even political aspects among others. Further, the scholar did not identify a similar work in the literature, focusing on the unit and variables that are addressed in the current study.

Following the evidence presented by literature reviewed, there are still matters that need some resolution along the conceptual and contextual realms in the interactive relationship among the variables in this work. The study advanced a conceptualization that focused on organizational strategy as a predictor variable. Consequently, the task of the study is to provide answers to the

gaps established by answering to one main question: What is influence of organizational strategy on organizational performance?

Research Objectives

The objective of this study is to determine the effect of organizational strategy on performance

LITERATURE REVIEW

Theoretical Foundations of the Study

The study was guided by the configuration theory, whose postulations are by Miller and Friesen (1978). This theory is the major anchorage of the study. According to the theory, the overall success of an organization is as a result of strong interaction of a wide variety of constructs. This perspective is particularly ideal in elucidating the interconnectedness of several domains that are intertwined and act concurrently, resulting to new conceptual models. The theory represents definite and unrelated attributes that offer greater value in collective terms than singly and presents a comprehensive portrayal of the entire organizational performance without necessarily ascribing the success to a specific and singular factor (Dyck, 1997).

Configuration theory displaced the Contingency theory as the key perspective in the literature on change in the 1980s (Miller & Friesen, 1978). Although it has its roots in contingency theory in sharing a functionalist point of view and an emphasis on the notion of variable 'congruency' or "fit,' the configurational perspective is significantly different.

The basic assumption underlying configuration is that among the almost unlimited number of permutations of organizational and situational variables, only a few will be predictively useful. This is because dysfunctional permutations are selected out and organizational factors that are interdependent and coherent are considered (Miller, 1981). Mintzberg (1979) describes this in terms of three hypotheses regarding successful configurations. First, an effective organizational structure requires a close fit between situational factors and structural design parameters. Second, the design parameters must be internally consistent. Third, combining the first two hypotheses, successful configurations achieve consistency among both design parameters and situational factors.

Configuration theory enables scholars to explicate how inherently multidimensional entities are correlated and strengthens each other in processes and functions (Dess & Newport, 1993). In the context of configuration theory, strategic fit connotes that the causal relationships between the constructs are not necessarily unidirectional. Rather, the focus is on the interrelationships between different constructs and the need for their alignment.

Given that Configuration theory informs assessments of external and internal fit, this study conceptualized internal fit as the alignment between organizational strategy and the criterion performance variable. Therefore, consistent with the precepts of the theory, organizations that scan their environment and align results to their strategy exhibit more performance implications than those that do not. This theory was thus useful in explaining the link between strategy and organizational performance.

Organizational Strategy and Performance

Various scholars have conceptualized strategy as a roadmap that directs organizational processes and functions. It gives direction for the execution of activities and resource allocation (Kiliko, 2015; Johnson & Scholes, 1993). Different variables contribute to overall organizational performance. Interaction of two or more variables might bring forth a synergistic aspect that would likely explain performance (Venkatraman & Prescott, 1990). According to co-alignment studies done in the past, strategy has been matched with various other variables (Macharia, 2014).

In this study, co-aligned variables are organizational strategy and culture. The holistic interaction of these two variables might positively impact on a third variable, which may translate into performance enhancement. Both strategy and culture are dynamic phenomena. This dynamism is necessitated by environmental realities (Dave & Gabriella, 2015). As changes occur, managers may seek to re-align various variables to enhance performance. Contingency theory enables managers interact various constructs within organizations and align them with external environment to enhance overall performance. This study proposed that organizational strategy and culture co-alignment could create synergy, a factor that missed in the reviewed literature. This synergy might relate positively with performance of a given organization.

In the effort of exploring the potential linkage between strategy and performance outcomes, various studies have been carried out in the past. Khan and Huda (2016) sought to unravel how exaction of strategic management procedures and practices impact on performance by drawing evidence from selected Pakistani tertiary hospitals. The study was premised on a sample of 30 staff members. The results derived from the analysis of the collected data revealed an affirmative link pertaining strategic practices' execution and the overall outcome of operations in the hospitals. A review of this study highlighted key conceptual and contextual concerns. A salient conceptual problem emerged in regard to the use of an insufficiently defined measure of strategic management. In particular, the study relied on a one-dimensional conceptualization of strategic management. A limited one-dimensional view of strategic management may have dampened the holistic conception of the implications of strategy on performance outcomes.

In addition, the results were applicable primarily to the context of Pakistan. As a result, the insights generated from the inquiry may not be generalized in cross-country contexts.

Notwithstanding these limitations, the findings enriched the current knowledge base surrounding the linkage between strategy and performance. In another study, Khoshtaria (2018) embarked on assessing how strategic planning and execution affects performance using manufacturing companies in Georgia-USA, as a reference point. The study conceptualized strategic planning as a one-dimensional construct, encompassing rational planning. Strategy implementation was also conceptualized as a single dimensional construct entailing the degree of planning in the implementation.

Besides, organizational performance was conceptualized as a multidimensional variable, which included objective fulfillment and relative competitive performance. A major limitation of the study was failure to recognize that strategic planning and implementation are essentially multidimensional constructs. Therefore, the results of the study may not have demonstrated better the magnitude of the influence of each of the variables on performance. In addition, despite the merits of the study, the author did not have a clear research design upon which it was premised. Moreover, the findings of the study reflected the actions or behaviour of a specific domain: manufacturing companies. As such, the generalizability of the conclusions to other organizational contexts such as private health facilities was limited.

Katsavamutima and Jeevananda (2012) embarked on a descriptive survey study where they assessed how formulating and executing strategies shape the performance outcomes of food processing companies based in Zimbabwe. Strategy formulation constituted a single-dimensional-phenomenon in assessing the extent of rationality in firm performance. On the other hand, strategy was conceptualized into a planned and prioritized option. While examining a sample of 150 chief executive officers of various food manufacturing companies in Zimbabwe, the scholars established that strategy formulation and implementation enhanced performance of the firms. Although the study was instrumental in contributing to the knowledge on organizational strategy and performance, it was marked by some shortcomings.

Firstly, the unit of study was manufacturing industries, which may have curtailed the generalizability of the conclusions to a diverse range of industrial contexts. Secondly, the study was conducted in Zimbabwe. In light of globalized markets, organizations from different countries may perform better in diverse contexts. The focus on Zimbabwe thus left some knowledge gaps in connection to the linkage between strategy and performance in other countries.

A descriptive research study by Osman (2017) endeavored to uncover the role of strategy execution in the performance of Kenyan-based private security companies. The study conceptualized strategy implementation as a multidimensional construct, comprising of: structure, resources, leadership, information, communication and technology. With a sample of employees and supervisors from 54 private security firms in Kenya, it was found that strategy

execution related positively to performance outcomes. Despite the contributory aspect of the study in facilitating the understanding of the linkage between strategy and performance, it primarily dealt with private security companies. Due to differences in the industries, the study result outcomes may not be in tandem with the Kenyan private health facilities. Besides, the unit of study was also different.

Another study by Omari, Matwere and Ogeto (2016) focused on investigating whether private hospitals situated in Kisii County had their performance shaped by the competitive strategies embraced by the facilities. The scholars defined competitive strategies as multidimensional constructs, which included cost-leadership, differentiation and focused on strategic orientations.
The scholars sourced data from a sample of 426 administrators from all the 16 private hospitals in Kisii County. The results derived from the analysis of the data demonstrated an affirmative interactive relationship of strategies and performance outcomes of the facilities. The conclusions generated in this study may have been substantially constrained by the utilization of a simple analytic method - correlation analysis, in examining relationships among variables. The use of more rigorous data analytic tools such as multiple linear regressions would have provided more robust findings. Moreover, the study was conducted on a small-scale level, where only one county (Kisii) in Kenya was considered. The focus on a single county created knowledge gaps about the linkage between strategy and performance of facilities operating in other counties.
Given the extant literature presented in the study, it is apparent that evidence for positive effects of strategy is rather strong. However, much is left unknown about how organizational strategy may influence performance of private health facilities. It is against this background that this research work was directed towards addressing this gap. This study conceptualized that organizational strategy might impact positively on performance of health facilities. This is a factor that is missing in extant literature.

Conceptual Framework

Conceptual framework is analytical tool used to organize idea and plan to ease the process of the study. It shows how study variables are related as shown below.

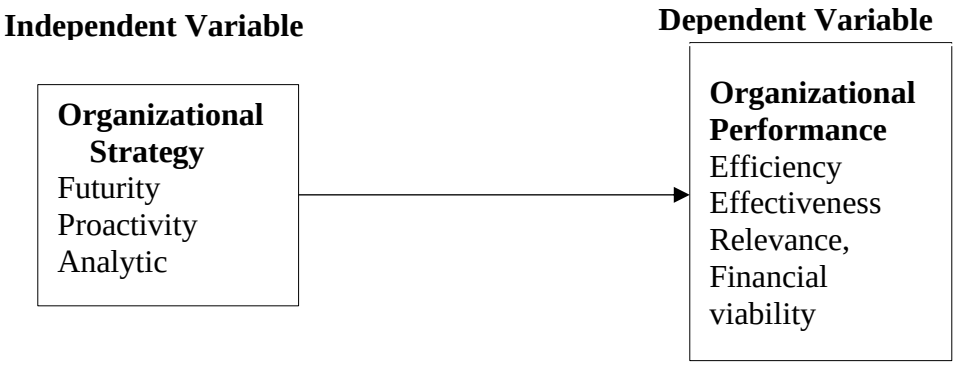

Figure 1: Conceptual Framework

MATERIALS AND METHODS

Research Philosophy

This study was guided by positivistic philosophy. To the positivism philosophy was added the notion of pragmatism. This emphasizes on what is functional as pertains to research questions under investigation (Tashakkori & Teddlie, 2003). Pragmatism allowed for collection of verbatim responses springing from respondents' experiences. The objective of the current study was to establish correlations among the variables of interest. Therefore, scientific principles reflected through the use of statistical techniques such as regression and canonical correlation analyses had to be invoked. These scientific principles underpin the positivistic philosophical view utilizes in this work.

Research Design

In this study, descriptive cross-sectional survey was employed. Cross-sectional design allowed for the utilization of the mixed-method in this work, where the findings were based upon two separate forms of information: quantitative and qualitative. Therefore, the mixed methods design allowed for the seamless integration of statistical and thematic data analytical techniques of the overall data collected.

Population of the Study

The population is the total collection of elements in a study (Nachmias & Nachmias, 1996). The sum-total of all private health facilities registered at the time of study (2018) was Three thousand and Ninety Five (3095), as indicated and evidenced by MPDBK (2018). Categorization of the size of the facilities as large is based on One hundred (100) and above bed capacity (MOH, 2017). As of September 2018, when the study was undertaken, the sum-total of all operational Large Private Health Facilities in Kenya stood at Sixty One (61) and this formed the study population. Therefore, a census survey was employed as there was no need for sampling.

Data Collection

A questionnaire was employed to collect primary data that was used in this study. A total of Sixty-One (61) survey questionnaire tools were administered to the research respondents, either in form of a mail or by means of persons well-trained for the job.

Reliability and Validity Tests

The Cronbach's alpha statistic is used for evaluating the reliability of such instruments. This study employed the cut-off coefficient point of 0.7 as recommend by (Alexandridis, 2018). A

pilot test of the questionnaire was administered in 10 large private health facilities before the actual study commenced. Below is portrayed the results of the reliability assessment.

Table 1: Reliability Test Result

Scale	Number of Items	Cronbach's Alpha	Interpretation
Organizational strategy	9	0.83	Reliable
Organizational Performance	31	0.91	Reliable

The reliability of the 9-question "Organizational strategy" measure was high, as determined by a coefficient value of 0.83. The values for all the items stood greater than 0.8, hence fell within the acceptable range of values between 0.7 and 0.95 recommended by Alexandridis (2018).

In this study, validity types scrutinized are of three modes. The first one is content or logical validity, which ensured adequate coverage of all important aspects. The second one is face validity, which ascertained that the questionnaire appeared to be measuring the constructs involved. The third one is predictive, also known as criterion validity. The scholar sought for opinions of experts in the relevant field of study, particularly the faculty members in university. This was in a bid to determine whether the questionnaire was valid or not. The expert opinion was incorporated in the research instrument design process, resulting in a valid questionnaire.

Data Analysis

The first step in the process of analyzing collected data involved editing of the same. At this stage, the returned questionnaire items were carefully scrutinized to identify incompleteness and information gaps and effort was made to minimize errors as much as possible. This ensured that collected data were of good quality, that is, free from inconsistencies and incompleteness. The objective was assessed by means of multiple linear regression analysis.. The outcome variable was performance of the health facilities while strategy represented the predictor variable. Performance was operationalized into four constructs, namely: operational effectiveness, efficiency, organizational relevance and financial viability. On the other hand, strategy was operationalized into three constructs, namely: futurity, proactivity and analytic orientations. After establishing the composite indices, the three organizational strategy constructs were regressed on each performance indicator resulting into four regression models. The key interests for each model were the following statistics: multiple r value, the coefficient of determination (R^2) and F-ratio value.

The multiple r value indicated the strength and direction of association between the organizational strategy constructs and each performance indicator. The R^2 represented the amount of variability in each indicator in the criterion variable, explained by the combinatory

aspect of organizational strategy constructs. In addition, the *F*-value depicted the overall statistical significance of each model.

All models were assessed at 95% confidence level *(p=0.05).* A model was considered not statistically significant if the p-value associated with the *F*-value was greater than *p=0.05*. The rejection of the null hypothesis decision was therefore made at values of *F*-values where *p*-value was less than 0.05 for all the four regression models. If at least one of the models had a *p*-value that was not less than 0.05, then the decision would be made not to reject the null hypothesis.

PRELIMINARY FINDINGS

Response Rate

The interplay between the variables of interest was explored by drawing on data from large private health facilities in Kenya. It was thus necessary to establish the response rate in the survey so as to determine whether or not data collected met the minimum threshold of linear regressions, in order to proceed with statistical analyses. A response rate stands for the ratio of respondents who actually respond to a research tool and questions to eligible respondents in a survey expressed as a percentage (Vannette & Krosnick, 2013). Below is an exposition of the rate response.

Table 2: Response Rate

	Frequency	**Percentage**
Filled and Returned questionnaire items	58	95.00
Unreturned questionnaire items	3	5.00
Total Questionnaire pieces distributed	**61**	**100**

Organizational Strategy

Strategy was operationalized into Nine (9) items categorized into three strategy constructs. The respondents were told to report on the range by which some statements descriptive of strategy applied to their health facilities. This was on a 5-point Likert scale. The scale ranged from 1 to 5, where 1 represented “Not at all” and 5 denoted “Very large extent.” The results generated from the analysis of the respondents’ responses are displayed here bellow.

Table 3: Organizational Strategy

Statements	N	Mean score	CV %	t-value	Sig. (2-tailed)
A. FUTURITY					
In making strategic decisions, we look into the future to anticipate conditions"	55	4.31	0.15	15.30	0.00
We emphasize investments that will provide us with future competitive edge"	55	4.44	0.14	16.87	0.00
We sacrifice short-term profitability for long-term goals"	58	3.83	0.24	6.70	0.00
B. PROACTIVITY					
In making strategic decisions, we constantly seek to introduce a new product or service in the market"	58	4.17	0.20	10.62	0.00
In analyzing situations, we evaluate possible consequences thoroughly and obtain alternatives"	57	4.11	0.20	10.22	0.00
We seek opportunities that have been shown to be promising"	58	4.29	0.20	11.75	0.00
We search for big opportunities and favour large and bold decisions despite the uncertainty of their outcomes"	57	3.54	0.31	2.72	0.00
C. ANALYTIC					
We implement our strategic decisions on a 'stage by stage' basis rather than 'blanket' implementation"	57	4.18	0.23	9.19	0.00
In making strategic decisions, we respond to signals of opportunities quickly"	58	4.07	0.21	9.52	0.00
Overall Mean Score		**4.10**			

The overall mean score for the organizational strategy dimensions was 4.10. Based on the 5-point Likert scale, the overall mean score fell slightly above the "large extent" rating. It is further clear from the results that all the items in the scale had *p*-values that met the conventional significance threshold. This was an indication that differences between the respondents who

agreed and those who disagreed with the items in the "Organizational strategy" scale were statistically significant. In other words, these differences did not occur by chance.

Organizational Performance

Organizational performance featured as the study outcome variable. Performance of the health facilities was operationalized into four constructs. This section exposes results as generated from the analysis of the responses from respondents pertaining to the four constructs. Table 4 depicts the results.

Table 4: Aligning Strategic Behaviour with Cultural Development on Facility Performance

	Frequency	**Percentage**
Yes	53	91.3
No	5	8.7
Total	**58**	**100**

Table 4 depicts that majority of respondents (91.3%) perceived aligning strategic behaviour and cultural developments as crucial to performance of their health facilities. About 8.7% of the respondents indicated that interacted with cultural developments, strategic behaviour did not necessarily influence organizational performance. These results reveled that for most large private health facilities, it was perceived that aligning strategic behaviour with organizational culture led to better firm performance.

Operational Efficiency

Further insight was sought on various organizational performance dimensions. This section focuses on operational efficiency, one of the performance dimensions. It was assessed by the extent to which various operations and systems in place at the private health facilities ensured that there was consistent provision of high-quality services. The respondents were provided with a set of statements descriptive of operational efficiency. They were asked to pinpoint the range at which the issue was relevant to their health facilities. Below is displayed the analytical results obtained.

Table 5: Operational Efficiency

Statement	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2-tailed)**
High-quality administrative systems are in place (financial, human resources, program, strategy, etc) to support the efficiency of the organization"	53	4.21	0.24	8.57	0.000
Optimal use of financial resources in	55	3.93	0.27	6.43	0.000

the facility is made"					
Frequency of system breakdown is very high	57	2.7	0.48	-1.72	0.090
Optimal use of physical facilities (buildings, equipment) is made	57	4.28	0.18	12.89	0.000
Timeliness of service delivery is ensured	58	4.26	0.16	13.89	0.000
There is high client inflow as depicted by registration files	58	4.31	0.15	15.25	0.000
Costs per client served is established to ensure efficiency	55	4.29	0.14	15.995	0.000
Our service quality has improved in the last five years	58	4.52	0.13	19.28	0.000
"Our market share has been improving in the last five years as evidenced by registration files"	58	4.36	0.15	16.19	0.000
We are keen on operations and processes that can reduce costs	56	4.48	0.14	27.54	0.000
Clients' complaints are responded to within 24 hours	56	4.14	0.19	10.74	0.000
Overall Mean Score		**4.13**			

As depicted above, the overall mean score for the items assessing operational efficiency in large private health facilities was 5. This average score falls slightly above the "large extent" rating scale. This mean score was an indication that operations and systems in the unit of study are efficient to a large extent. These results imply that the differences between the respondents who agreed and those who disagreed with the statement were not statistically significant. In other words, the differences occurred by chance. For the rest of the items that recorded significant results, the implication was that the differences between the respondents who agreed and those who disagreed with the statements were statistically significant, hence did not happen by chance.

Operational Effectiveness

Organizational performance was also assessed through operational effectiveness. Effectiveness was explained in view of 6 items. Accordingly, the necessary participants were requested to report the range by which these items applied to their facilities on a 5-point Likert scale. Below is displayed results produced from the analysis of the responses.

Table 6: Operational Effectiveness

Statement	N	Mean Score	CV %	*t*-value	Sig. (2-tailed)
"The mission statement and other documents provide the reason for the existence of the organization"	57	4.58	0.14	18.25	0.000
"The mission is operationalized through our c current training program goals, objectives, and activities"	58	4.43	0.13	18.30	0.000
"Quantitative and qualitative indicators are used to capture the essence of the mission"	58	4.24	0.18	12.50	0.000
"A system is in place to assess effectiveness of the organization"	55	4.29	0.21	10.45	0.000
"The organization monitors effectiveness"	58	4.50	0.16	15.62	0.000
"The organization uses feedback from stakeholders and clients to improve itself"	58	4.59	0.14	29.41	0.000
Overall Mean Score		**4.44**			

As is evidently shown above, the overall mean score for the items was 4.44. Based on the scale, this score was fairly above the "large extent" range. This signified that operations, processes and systems in large private health facilities in Kenya were effective to a large extent. A *t*-test was performed and statistically significant differences were observed for all the items assessing effectiveness in operations. This brought out the fact that there were considerable differences among the private health facilities regarding the extent to which they ensured that operational effectiveness was achieved. This was an indication that the differences did not happen by chance. These variations were caused by factors that could be accounted for.

Organizational Relevance

The study also considered organizational relevance as a key performance indicator. Organizational relevance denotes the link between the business value of a firm and its strategic goal. In this study, organizational relevance was defined into 6 items. The concerned respondents were requested to report on the level at which each of the six organizational relevance aspects

was applicable to their health facilities. The responses were then analyzed and the results are as illustrated here under.

Table 7: Organizational Relevance

Statement	N	Mean Score	CV %	*t*-value	Sig. (2-tailed)
The strategy is undergoing review now and then"	58	4.16	0.20	10.83	0.000
Regular program revisions reflect changing environment and capacities of the facility"	58	4.16	0.17	12.21	0.000
Our facility regularly reviews the environment to adapt its strategy accordingly"	58	4.19	0.16	13.70	0.000
The organization regularly reviews the environment to adapt its strategy accordingly"	56	4.29	0.20	11.09	0.000
Innovation is encouraged all the time"	57	4.4	0.18	13.66	0.000
The organization monitors its reputation frequently"	58	4.4	0.15	15.79	0.000
Overall Mean Score		**4.27**			

As is demonstrated above, the mean score for all the organizational relevance aspects was 4.27. The score suggests that large private health facilities in Kenya focus on organizational relevance elements as a key indicator of performance to a large degree. The *t*-test results revealed significant differences that were statistically sound for all the items used to evaluate organizational relevance. As seen in Table 7, the *p*-values for all the statements fell below the alpha value of 0.05. This provided evidence that despite the considerable differences among the private health facilities regarding the extent to which they ensured that operational relevance was met, the differences were caused by explainable factors rather than chance.

Financial Viability

In this study, financial viability was used as one of the measures for assessing organizational performance. Financial performance was considered because despite the fact that some large private health facilities are charity-oriented, they still need and use money in operations and processes. The concept of financial viability revolves around the notion that financial inflows of an organization should be greater than the outflows. Financial viability was operationalized into Seven (7) items. The necessary participants were directed to mark the range at which they perceived their facilities as having been financially viable or sustainable based on the items. The

responses were well captured. The summarized results of the responses from the respondents are shown below.

Table 8: Financial Viability

Statement	**N**	**Mean Score**	**CV %**	***t*-value**	**Sig. (2-tailed)**
Existing funding sources offer sustained support to the facility"	55	4.24	0.18	12.32	0.000
Our facility monitors finances on a regular basis to enable decision- making"	58	4.36	0.19	12.81	0.000
The facility consistently has more revenue than expenses"	58	3.74	0.30	5.06	0.000
Our financial performance has made assets to be greater than liabilities in the last few years"	58	4.05	0.22	8.84	0.000
To what extent is positive financial index realized as shown by the ratio of total assets to total liabilities?"	58	3.98	0.20	9.29	0.000
Our facility uses the ratio of current assets to current liabilities to gauge its performance and enable decision-making"	58	3.97	0.20	9.26	0.000
In our facility, there is growth in terms of amount of resources mobilized, assets, capital and revenues within the last 5 years"	58	4.34	0.16	14.33	0.000
Overall Mean Score		**4.27**			

As demonstrated above, results portray mean score for all the elements linked to financial viability of the health units as 4.27. As pertains the scale range, the overall mean score fell above the "Large extent" rating. A look at the *p*-value column above shows that the *p*-value for each entity was less than the alpha value of 0.05. This was an indication that although there were noteworthy differences among the private health facilities regarding the metrics used for evaluating financial viability, the variations did not happen by chance. Rather, it was due to explicable factors.

TEST OF HYPOTHESES

The objective of this work was to probe how strategy affects performance. The hypothesis linked to this objective was crafted in the following manner:

H: Organizational strategy has no significant influence on performance

Performance was operationalized into four constructs. The responses to each of the four constructs were averaged into construct composite indices. The predictor variable linked to this hypothesis was organizational strategy, which was operationalized into three construct, namely: futurity, proactivity and analytic. The responses to each of these operational indicators were averaged into construct indices, which were then regressed on each of the performance indicators.

The testing of hypothesis using appropriate statistical methodologies was conducted. In doing so, the three strategy constructs were regressed on every performance indicator, where statistical significance was set at p <0.05. By means of this exercise, the combined effect of all the organizational strategy variable constructs on various indicators was established. The analysis results are as seen in Appendix IV.

The resolution to reject the hypothesis was made at F-values whose *p*-values met the conventional threshold of significance (p < 0.05). A summary of test results for hypothesis H1 is shows below.

Table 9: Effect of Strategy on Performance

Model	**Multiple r**	**R^2**	**F-value**	**Sig.**
Efficiency=f (futurity, proactivity, analytic)	0.374	0.140	2.930	0.042
Effectiveness = f (futurity, proactivity, analytic)	0.466	0.217	4.994	0.040
Relevance= f (futurity, proactivity, analytic)	0.487	0.237	5.604	0.002
Financial viability= f (futurity, proactivity, analytic)	0.305	0.093	1.845	0.150

The Multiple R-values ranged from 0.305 to 0.487, an indication that although there was an affirmative association between strategy and the performance indicators, it was a weak one. It is clearly demonstrated above that organizational strategy explained different amount of variation in various performance indicators as indicated by the coefficients of determination. The R^2 values ranged from 0.093 to 0.237, implying that strategy explained less than 50% of variation in performance of the health facilities. The F-values for the various models ranged from 1.845 to 5.604. The corresponding *p*-values reached the conventional threshold of significance except for the model connected to financial viability. This meant that the implications of strategy on financial viability was not significant (F=1.845, p>0.05). To the contrary, strategy was found to be significantly predicting efficiency (F=2.93, p < 0.05), effectiveness (F=4.994, p < 0.05) and relevance (F=5.604, p<0.05).

Viewing performance as a multidimensional construct, the results imply that strategy has no significant influence on the overall performance of the facilities. This is because of the not statistically significant relationship between financial viability (one of the dimensions of performance) and organizational strategy. Consequently, the scholar failed to reject the null hypothesis. However, the results also reveal that organizational strategy exerts significant influence on other areas of performance of the health facilities apart from financial performance. These areas include: organizational efficiency, effectiveness and relevance.

Table 10: Independent Effect of Strategy on Efficiency

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.355	0.126	0.111	0.366		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.085	1	1.09	8.09	0.006
Residual	7.516	56	0.134		
Total	8.601	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	3.11	0.361		8.62	0.000
Strategy	0.248	0.087	0.355	2.84	0.006

Acting solely, strategy could explain 12.6% of variance in the efficiency of the health facilities as evidenced by an R^2 of 0.126. Additionally, a scrutiny analysis of variance pointed to the significant predictive value of strategy on efficiency. Below is shown the results for the independent effect of strategy on operational effectiveness.

Table 11: Independent Effect of Strategy on Effectiveness

Model Summary			
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*
0.402	0.161	0.146	0.51

ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	2.81	1	2.81	10.77	0.002
Residual	14.61	56	0.261		
Total	17.42	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.73	0.502		5.42	0.000
Strategy	0.399	0.122	0.402	3.28	0.002

The value of R^2 was 0.161, implying that the independent effect of strategy accounted for variation of 16.1%. A scrutiny on the analysis of variance revealed that strategy was a positive predictor of efficiency of the facilities. Below is shown the results pertaining to the independent effect of strategy on organizational relevance.

Table 12: Independent Effect of Strategy on Organizational Relevance

Model Summary			
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*
0.377	0.142	0.13	0.56

ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	2.94	1	2.94	9.27	0.004
Residual	17.78	56	0.32		
Total	20.73	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.63	0..555		4.73	0.000
Strategy	0.408	0.134	0.377	3.04	0.004

The value of R^2 was 0.142, meaning that the independent effect of organizational strategy accounted for a variation of 14.2%. A scrutiny of analysis of variance revealed that strategy had a significant predictive value on organizational relevance. Below is shown the results for the independent effect of strategy on financial viability.

Table 13: Independent Effect of Strategy on Financial Viability

Model Summary					
R	*R Squared*	*Adjusted R Squared*	*Std. Error of the Estimate*		
0.294	0.087	0.07	0.58		
ANOVA					
Model	*SS*	*df*	*MS*	*F*	*Sig.*
Regression	1.78	1	1.783	5.31	0.025
Residual	18.81	56	0.336		
Total	20.59	57			
Coefficients					
Model	*B*	*Std. Error*	*Beta*	*t*	*Sig.*
(Constant)	2.799	0.571		4.904	0.000
Strategy	0.318	0.138	0.294	2.304	0.025

The value of R^2 was 0.087, signifying that organizational strategy solely explained a variation 8.7%. A scrutiny of variance analysis portrayed strategy as a significant predictor of financial viability. Below is presented the results of the effect of organizational culture on operational efficiency.

DISCUSSION OF FINDINGS

The first step in the assessment of this objective was operationalization of organizational strategy into relevant and measurable items. Within the scope of this study, organizational strategy was measured using nine (9) items categorized into three constructs, namely: futurity, proactivity and analytic dimensions. The futurity dimension signified the simultaneous prominence given by organizations in strategic-decision making, where cost-efficiency in the present and future tops the list of priorities. The proactive dimension referred to the capacity of organizations to gain leverage in harnessing emerging opportunities in a given marketplace, such as the chance to diversify or gain a first-mover advantage in provision of services. The analytic dimension represented the ability of an organization to understand and solve problems through careful and extensive search for valuable information.

Based on the mean scores, the top-rated item revealed that the strategy used is futurity-oriented and that it involves laying emphasis on investments that would provide a competitive edge in the future. This implies that the strategy of health facilities is heavily based on decisions that are likely to be influenced by future events, such as customer satisfaction and technological advancement. This finding also shows that large private health facilities in Kenya are not laying emphasis on analytic and proactive strategies geared towards cost-reduction or acquisition of new market opportunities.

A hypothesis was formulated, relating to organizational strategy and performance. It was hypothesized that the impact of strategy on the organizational outcomes was non-significant. The results derived from regression analysis indeed confirmed that the proposed hypothesis was true. It was established that strategy had not significant influence on financial viability. Strategy had a significant impact on the other performance aspects, which included operational efficiency, effectiveness and organizational relevance.

These findings are contrary to the characteristics of private organizations reported widely in the literature. For instance, in a study on hotel outsourcing, Rodriguez and Fierro (2018) noted that the strategic orientation of most hotels is founded on defensive and proactive strategies involving undertaking risky investments in a bid to maintain a competitive edge. The findings are in line with the proposition by Macharia (2014), that an organizational strategy that guarantees sustainable competitive advantage also reflects better organizational performance.

As such, the financial viability pulled down the whole hypothesis to non-significance. This might have been triggered by the fact that majority of respondents did not want to portray their facilities as making huge financial profits. This result signified that considering the financial aspect, organizational strategy could not portray a substantial contribution at the outcome point (performance) of the health facilities, thus the hypothesis was upheld.

The statistically not significance also implies that different aspects of strategy have different degrees of significance on organizational performance. The finding in this hypothetical testing contradicts a series of studies that have been conducted previously. For instance, the finding conflicts with empirical studies by Kiliko (2015) and Johnson and Scholes (1993), who noted that performance outcomes are significantly tied to how best the organizational strategies are implemented. Further, result of this inquiry is contradictory to a study by Greenly (1986), who found that organizational strategy poses significant advantages that manifest as continuous improvement of business performance.

The results also contradict the findings by Kariuki (2015), which confirmed a positive linkage between strategy and performance. Moreover, the findings are incongruous with the evidence by Ongonge (2013), which illustrated that strategic planning was significantly associated with

organizational performance. Based on the observation by Venkatraman and Prescott (1990), these contradictions and inconsistencies could be attributed to differences in contextual and variable operationalization.

CONCLUSION AND RECOMMENDATIONS

Conclusion

From the inquiry, it was revealed that the effect of strategy on performance outcome of the health facilities was not statistically significant. However, the study provided further indication of the nature of relationship between strategy and various performance indicators. Further, it was discovered that strategy did have implications that were statistically significant, on effectiveness, efficiency and relevance dimensions with the exception of financial viability. Overall, these findings contradict the previous findings by Katsavamutima and Jeevananda (2012); Khan and Huda (2016); Khoshataria (2018); and Osman (2017), who observed significant relationships between strategy and performance.

Limitations of the Study

The study outcomes are unique to their own Kenyan context and involve a particular unit of study. The findings may not fit the context of small or medium private health facilities and even public health sector. The study is therefore limited in terms of generalizability of the findings.
From a methodological perspective, the study adopted a descriptive cross-sectional survey design. This design was the most appropriate method available in matching issues at hand, which included time and financial constraints. The limitations involved did not compromise the spirit and quality of the study results. Rather they paved the way for future studies.

This study was cross-sectional in nature and inherent limitations have been highlighted. Therefore, it would be useful to replicate the study using a longitudinal research design. Such studies would help in providing in-depth evidence on the relationship between organizational strategy and performance over time.

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