Institutional Factors and Implementation of Strategic Plans in Program for Appropriate Technology in Health: A Case Study of Kisumu County, Kenya

John Oketch Mireri\textsuperscript{a}\textsuperscript{*}, James Oringo\textsuperscript{b}

\textsuperscript{a,b}\textit{Program Manager, American International Health Alliance, Kenya}
\textsuperscript{*Email: mireri.john@gmail.com}
\textsuperscript{bEmail: oringojames@gmail.com}

Abstract

Strategy implementation is continually becoming a key challenge for organizations in these modern times. The business context in which Program for Appropriate Technology in Health (PATH) is operating is an ever-changing environment. The organization has been faced by challenges in implementing their strategies such as lack of strategic consensus and clarity, little reward, no relief from normal responsibilities for implementers, coordinating and integrating activities of participating individuals and functions and lack of honest upward conversations about barriers and underlying causes by top-down management style. In this regard this study sought to determine the influence of institutional Factors on successful implementation of strategic plans in PATH. The specific objectives of the study were to establish the influence of communication, organizational structure, resource allocation and organizational culture on successful implementation of strategic plans. The study was guided by contingency theory, the cybernetics theory and the resource dependency theory. The study adopted a descriptive research design. The unit of analysis was PATH and the unit of observation was 10 managers and 80 support staff of PATH. A census of 90 respondents was carried out. Questionnaires were used as data collection instruments. Descriptive statistical analysis such as mean and standard deviation was used to analyze quantitative and presented in terms of tables, frequencies, graphs and charts. Multiple regression analysis was carried out to analyze data. The study revealed that communication, organizational structure, resource allocation and organizational culture positively and significantly influenced strategy implementation. The study concludes that communication helps management of PATH to share its mission, vision and values with employees and to achieve specific goals.

* Corresponding author.
The structure of PATH helps in streamlining operations, improving decision making, operating in multiple market locations, enhancing customer service, and boosting employee performance and creativity. Resource allocation helps PATH to improve effectiveness and efficiency of activities in order to make savings that will improve the overall implementation of strategic plan of the organization. The organization’s culture is often the most important determiner in successful implementation in PATH. The study recommends that the management of PATH should not over rely on written communication by presenting the strategic plan in many different ways and be creative with how they present your plan. The management of PATH should pinpoint the key functions and tasks requisite for successful strategy execution, reflect on how the strategy-critical functions and organizational units relate to those that are routine and to those that provide staff support, make strategy-critical business units and functions the main organizational building blocks, determine the degrees of authority needed to manage each organizational unit. The management of PATH needs to have sufficient funds and enough time to support strategy implementation. The management of PATH should adopt a culture that is dynamic, flexible and adaptive.

**Keywords:** Institutional Factors; Strategic Plans; Appropriate Technology.

1. Introduction

Strategic management is the process and approach of specifying an organization’s objectives, developing policies and plans to achieve and attain these objectives, and allocating resources so as to implement the policies and plans [9]. Author in [10] observe that the strategic development process embraces the management process that inform, shape and support the strategic decisions confronting an organization. The inclination towards the term strategic development process according to author in [10] is premised on strategy formulation and implementation in which organizations engage on a continuous basis; hence the idea of ongoing development is central. The concept and practice of implementing strategies has been embraced worldwide and across various sectors because of its perceived contribution to organizational effectiveness and improvement in performance by organizations [32]. Today, organizations both public and private have taken seriously to the practice of implementing strategic plans to guide the performance of those organizations. Author in [19] indicates that organizations’ strength, growth, and success depend on how well they implement their strategic plans. The process of implementing strategy involves aligning key organizational functions or factors with the chosen strategy. However, these strategies may not be fully implemented due to changes in the organizational environment. The concept and practice of implementing strategies has been embraced worldwide and across various sectors because of its perceived contribution to organizational effectiveness and improvement in performance by organizations [32]. Today, organizations both public and private have taken seriously to the practice of implementing strategic plans to guide the performance of those organizations. Author in [19] indicates that organizations’ strength, growth, and success depend on how well they implement their strategic plans. The process of implementing strategy involves aligning key organizational functions or factors with the chosen strategy. However, these strategies may not be fully implemented due to changes in the organizational environment. Strategy implementation involves allocation and management of sufficient resources, establishing a chain of command or some alternative structure, assigning responsibility of specific tasks or processes to specific individuals or groups [27]. Successful strategy implementation starts with a good strategy. Therefore,
an effective implementation of the strategy requires an adequate adjustment of the capabilities of the organization. Strategy implementation is the process that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan’s stated objectives [13]. According to authors in [33] implementation is a highly complex and interactive process and the success in strategy implementation depends crucially on the human or people side of project management, and less on organization and systems related factors. Similarly, author in [12] finds that a higher level in total organizational involvement during strategy implementation has positive effects on the level of implementation success, firm profits and overall firm success.

1.1 Problem statement

Strategy implementation is a connecting loop between formulation and control. Implementing strategies require the identification of the gap in skills and figure out how to bring those skills into the organization. Authors in [6] observe that while strategy formulation is difficult, making strategy work and executing it is even more difficult. Similarly, authors in [7] concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. It can therefore be inferred that strategy implementation is continually becoming a key challenge for organizations in these modern times. The business context in which Program for Appropriate Technology in Health (PATH) is operating is an ever-changing environment. The organization has been faced by challenges in implementing their strategies such as lack of strategic consensus and clarity, little reward, no relief from normal responsibilities for implementers, coordinating and integrating activities of participating individuals and functions and lack of honest upward conversations about barriers and underlying causes by top-down management style. Therefore, it is important for the organizational managers to understand and identify the pitfalls and challenges that can occur during the process to improve the effective implementation. A study carried out by author in [16] examined the strategy implementation challenges in government parastatals and established that employees are indeed a challenge to strategy implementation at KRA. However, the study was a Case of Kenya Revenue Authority. Author in [30] study examined factors affecting effective strategy implementation in a service industry and found that that leadership is by far the most important factor influencing successful implementation strategy in the service sector. However, the study as qualitative in nature and was based on electricity distribution companies in the Sultanate of Oman. Author in [15] study investigated institutional factors influencing implementation of strategic plans and found that organizational structure of hospitals influences the implementation of strategic plan. However, the study was carried out in government hospitals in Kitui Central Sub-County, Kitui County, Kenya. This study sought to investigate the influence of institutional factors on the implementation of strategies in PATH.

1.2 Research objectives

This research intended in general to investigate the influence of institutional Factors on implementation of strategic plans in PATH. Specifically, the research focused on establishing the influence of communication, organizational structure, resource allocation and organizational culture; on implementation of strategic plans in PATH.
2. Theoretical review

This study was anchored by three theories namely; Contingency theory, the Cybernetics theory and Resource Dependency theory. According to author in [20] a contingency theory is an organizational theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. Proponents of the contingency theory argue that there is no one or single best way or approach to manage organizations. Organizations should then develop strategy based on the situation and condition they are experiencing [8]. A strategic fit between strategic considerations and organizational capabilities and resources is critical to competitive advantage development. In an environment characterized by intense global competition and technological dynamism, firms may seek to provide product/service at lowest feasible costs or to make differentiation in serving some particular geographic markets and/or customer groups [29]. Firms rely only on their own capabilities will be at a competitive disadvantage. Therefore, firms may choose to form alliances to complement and reinforce a firm’s knowledge and capability base should reflect its strategic intents and focus [21]. Authors in [4] suggested a contingency approach by associating two or more independent variables with a dependent outcome to explain the effects of strategy-structure alignment on organizational performance. Following the contingency argument, this study proposes the competitive advantage through an identified variable must match strategic factors, and organizational capabilities, and this fit is the critical determinant of the organizational growth. This theory explains the organizational structure Cybernetics theory propounded by Ross Ashby and Norbert Wiener in 1960 stressed on mathematics theory of communication and control systems using regulatory feedback. A positive feedback is achieved when intended outcome is attained or may be negative when in a situation where there is immediate response or can be delayed. Feedback can also be used to determine the efficacy of a certain communication send or in a circumstance that has already happened. Its main theme concerns how elements like digital, mechanical or biological manages its behavior, relays, responds to and changes information or can be altered to achieve these primary tasks effectively. This theory was relevant to the study because it showed that there was a need for the strategic managers to individually tell staff of new regulations and improvements within the systems of the company to permit workers to be aware and take part successfully in issues that pertain to them. Hence, they need to realize whilst to apply formal or casual mode of conversation, for the reason that their primary objective is to gain effects from team of workers. Moreover, in making use of the cybernetics theory” it becomes useful for any enterprise that intends to reap worker overall performance to make sure that feedback mechanism must be sufficient either inside the attitude to work, productiveness, and better project performance. This theory explains the communication variable. Resource Dependency Theory (RDT) by authors in [28] observed that (RDT) add on the literature on how the external resources of an institution impact the conduct of the organization. Focus on external resources is a basic statute of both the strategic and key organization of any institution. RDT has recommendations as to the perfect divisional structure of organizations, enrollment of board of directors and agents [28]. RDT offers a remotely engaged point of view of why a firm may secure or converge with another institution [11]. In the event that an association can unite with another comparative or reciprocal association, there are that numerous more resources accessible to the new element. This reduction in rivalry is the primary purpose behind mergers or acquisitions. There are two other potential clarifications for why an organization might need to participate in a
merger: to oversee reliance with either sources of information or buyers of yield by retaining them, and to differentiate operations and along these lines reduce reliance on the present associations with which it trades [28]. In the case of this study it was important to examine the influence of resource dependency on the implementation of strategies from the one of the reasons banks are formed is to increase the amount of resources available to enhance one’s competitiveness in the market. Organizations depend on a number of assets such as labour, money and equipment. Therefore, the organizations should identify the standard of criticality and resources that are rare. Asset reliance concerns more than the outside associations that give, circulate, back, and rival a firm. This theory was thusly be applicable to consider as it depends on the rule that an association, for example, a business bank, must take part in exchanges with different on-screen characters and associations in its condition so as to get assets. This theory explains resource allocation variable.

3. Empirical Review

Author in [25] study investigated the role of communication in strategy implementation. The study applied a descriptive research design, where data was collected through an online questionnaire designed by google forms. Descriptive and inferential statistics were used to analyze data. The study established that communications had been outlined as a key component to achieving the organization’s mission. However, the study was carried out in African Women in Agricultural Research and Development. Author in [23] study examined the influence of communication on strategy implementation among pharmaceutical companies in Nairobi Kenya. This study applied descriptive survey research design. The target population comprised of all the pharmaceutical companies in Nairobi Kenya. This study used primary data collected using questionnaires. Data collected was analyzed using descriptive statistics. The study found out that companies use short message service, internal memos, emails, stakeholder meeting, oral presentations and periodic reports in communicating strategy implementation within and outside their organization. Author in [5] study investigated the influence of communication on strategy implementation in Telecommunication Firms in Kenya. Primary data was collected by the use of structured questionnaires. Quantitative and qualitative data obtained from the target population of thirteen telecommunication firms in Kenya was analyzed using both descriptive and inferential statistics. The study established that verbal communication, non-verbal communication and written communication were the main forms of communication in use. The study further found out that the three forms of communication used in the telecommunication firms were very significant in strategy implementation. Author in [24] study investigated on organization structure and strategy implementation in selected major banks in Kenya. The study adopted a descriptive survey design and collected primary data by use of questionnaires and secondary data from audited financial reports, news bulletins and official websites of the selected major commercial banks in Kenya. The research was conducted through a descriptive survey design. The findings also indicated that the nature of organization structure had a moderate effect on the attainment of bank communities’ expectations and growth of investments of major commercial banks in Kenya. Author in [31] study investigated the influence of organizational structure and strategy implementation at Geothermal Development Company in Kenya. The study used primary data that was collected through the use of interview guide instrument. Content analysis method was used to analyze the data collected. The study established that strategy implementation process was team work that cut across all the levels of GDC hierarchies. The study recommended that GDC should reduce the heavy reliance on the strategy partners and work towards self-sufficiency. Authors in [2] study
examined the impact of structure on strategy implementation among Telecommunication Firms in Nigeria. The study took both explorative and descriptive nature. The population of this study consisted of all the employees of mobile phone operators in Nigeria. The results showed that centralization has insignificant positive correlation with budgetary program implementation and resource control implementation. Authors in [18] study examined the effects of resource allocation on strategy implementation at Kenya Police Service in Nairobi County. A descriptive research design was used for the study. The study used stratified sampling technique. Primary data was collected by use of questionnaire. Descriptive statistics and inferential statistics were used to measure the quantitative data. Findings indicate that there exist both positive and significant correlations between the predictor and dependent variables. Authors in [26] study examined determinants of effective strategy implementation in the insurance industry in Kenya-A Case Study of AAR Insurance. The study will adopt a descriptive research design. Stratified random sampling method will be used. The study will target all the 340 employees of AAR. The study showed that there was a positive relationship between the resource allocation and strategy implementation. The study recommended that strategic planning should measurable such as short term and long-term plans, that the organization should hire qualified staff to be able to implement the strategies and allocate resources to enable effective implementation of the strategies. Authors in [34] study examined the influence of organizational resources portfolio on organizational performance in Tourism Government Agencies in Kenya. The study used a cross sectional approach. The population of the study included management and non-management staff. The researcher used stratified sampling to select a sample. The study used both primary and secondary data. The data was analyzed through descriptive and inferential statistics. The study found that resources were critical to a firm’s performance. Author in [14] study examined the influence of organization culture on strategy implementation in selected universities in Kenya. The study used a descriptive survey design to target 103 employees that were sampled by the researcher. The study respondents were identified using the proportionate stratified sampling method. Questionnaires were administered to obtain primary data. The results indicated that organization culture had an influence on strategy implementation in institutions of higher learning and can be concluded that dominant characteristics and behavior norms have a strong influence on strategy implementation. Authors in [3] carried out a study on the role of organization culture on effective strategy implementation among Commercial Banks in South Sudan. The study targets top and middle managers of 29 commercial banks. Primary data was collected using questionnaires and data was analyzed using factor analysis and multiple linear regression model. The study found that dominant characteristics have no significant influence on effective strategy implementation. Organizational Leadership was found to positively influence effective strategy implementation. Management of employees and organizational glue had no effect on effective strategy implementation. Authors in [1] study examined the relationship between organizational culture and strategy implementation. Using a sample of 136 members of Iranian Karafarin Bank, this paper empirically examines the hypotheses that suggest relations between typologies and dimensions of organizational culture and dimensions of strategy implementation. The findings verify flexible cultures have to do more with policy formation and structural factors in implementation. Moreover, results reveal the significant correlation between strategic emphases among culture and implementation of the strategy.

2.5 Conceptual framework
Independent Variables

Communication
- Verbal/Written
- Bottom-up
- Top-down

Organizational Structure
- Centralized
- Decentralized
- Span of control

Resource Allocation
- Equipment
- Labour
- Capital

Organizational Culture
- Mission
- Vision
- Values

Dependent Variable

Successful Implementation of Strategic Plans
1. Results
2. Decentralized
3. Span of control
...

Figure 2.1: Conceptual Framework

Source: Researcher (2015)

Figure 2.1 shows the relationship between independent and dependent variables. The independent variables are communication, organizational culture, resource allocation and organizational culture and the dependent variable is the successful implementation of strategic plans.

4. Research Methodology

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>10</td>
</tr>
<tr>
<td>Support Staff</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
</tr>
</tbody>
</table>

Source: PATH, Human Resource Department Report of 2018
The study adopted a descriptive research design. Author in [17] recommends that the use of descriptive research design enables the researcher to make a certain prediction by narrating data and traits of the target population. Through the use of descriptive research, the researcher was able to collect data from a larger population cheaply and faster with the use of questionnaires and get conclusive findings. The unit of analysis was PATH and the unit of observation was 10 managers and 80 support staff of PATH as shown in Table 3.1. Since the population was small, a census of 90 respondents was taken to be the sample size based on the recommendation by authors in [22]. Questionnaires were used as data collection instruments because those who were involved are literate thus minimal interpretations of what is contained in the questionnaires. The questionnaires were structured into 5 sections ranging from A to F whereby section A collected data regarding the respondent’s demographic data, section B was based on communication variable, section C organizational structure variable, section D resource allocation variable, section E organizational culture variable and section F collected data on dependent variable successful implementation of strategic plans. The questions followed a likert scale whereby the respondents were required to rate questions as per their level of agreement. In addition, there were open ended questions after each study variable to enable the respondents to add more information regarding the influence of the independent variable on dependent variable. Questionnaires were piloted to 10 respondents from the same organization and these respondents were not included in the final data collection process. The questionnaires were piloted to make sure that any error or missing item in it is identified and addressed so as to make sure they are valid and reliable. The researcher used content validity test to ensure that the questionnaires are put in simple language the respondents can easily understand and check for clarity of questions. This was achieved by consulting the supervisor as the expert. Cronbach’s alpha coefficient will be utilized to obtain a correlation coefficient of the test scores. Authors in [22] indicates that test scores ranges between 0 to 1 and the instruments is considered reliable if the test score is closer to 1. Therefore, this study obtained a coefficient of 0.8. The management of PATH was contacted to seek permission to carry out the study. Questionnaires were self-administered and to ensure high response rate the respondents were notified the date of collecting the questionnaires and one of the respondents from each stratum was appointed and given the responsibility of reminding the other respondents on the importance of filling the questionnaires. Data collected from the questionnaires was organized into a meaningful format and coded for easy analysis. Descriptive statistical analysis such as mean and standard deviation was used to analyse quantitative and presented in terms of tables, frequencies, graphs and charts. This was made possible by use of Statistical Package for Social Sciences (SPSS) version 20.0. Because the study involved more than three variables multiple regression analysis was used. To maintain ethical standards, an introductory letter from the University together with a research permit from National Commission for Science and Technology (NACOSTI) was used to seek permission from the relevant authorities during data collection process. Information confidentiality was assured to all the respondents and none of the respondents were forced to participate in the study.

5. Summary, conclusion and conclusion

The general objective of this study was to investigates the influence of institutional Factors on implementation of strategic plans in PATH. The independent variables were communication, organizational structure, resource allocation and organizational culture. The study adopted a descriptive research design. A census of 90 respondents was carried which comprised of managers and support staff. Data was collected using
questionnaires and analyzed using both descriptive statistics and regression analysis. The first research objective sought to establish the influence of communication on implementation of strategic plans in PATH and established that communication positively and significantly influenced strategy implementation. Communication in both internal and external enables the organization to remain transparent which in turn builds trust hence successful implementation of strategic plans and that communication leads to productivity and helps to avoid unnecessary delays in the implementation of policies. The second research objective sought to assess the influence of organizational structure on implementation of strategic plans in PATH and established that organizational structure positively and significantly influenced strategy implementation. Organizational structure reduces employee ambiguity and confusion regarding their tasks for successful implementation of strategic plans and defines how tasks are formally divided, grouped and coordinated for successful implementation of strategic plans. The third research objective sought to determine the influence of resource allocation on implementation of strategic plans in PATH and determined that resource allocation positively and significantly influenced strategy implementation. Adequate funds lead to successful implementation strategic plans and that adoption of modern technology leads to successful implementation strategic plans and availability of highly skilled staff leads to successful implementation strategic plans and that availability of equipment and materials leads to successful implementation strategic plans. The fourth research objective sought to investigate the influence of organizational culture on implementation of strategic plans in PATH and revealed that organizational culture positively and significantly influenced strategy implementation. A stable culture will enhance commitment among employees and focus on productivity within the organization and that organizational culture unifies employees in an organization and helps create a set of common norms or rules within an organization that employees follow. The study concluded that; communication helps management of PATH to share its mission, vision and values with employees and to achieve specific goals. It creates a sense of community and trust with employees, creating a line of sight for them and engaging them to make the organization successful. The structure of PATH helps in streamlining operations, improving decision making, operating in multiple market locations, enhancing customer service, and boosting employee performance and creativity. Centralized structure makes implementing certain strategies more feasible and gaining consensus for a strategy. Resource allocation helps PATH to improve effectiveness and efficiency of activities in order to make savings that will improve the overall implementation of strategic plan of the organization. Resource allocation is a major management activity that allows for strategy in PATH and comprises of financial resources, physical resources, human resources, and technological resources to achieve desired objectives. The organization’s culture is often the most important determiner in successful implementation in PATH. Creating an organizational culture that is open to change starts with a senior leadership team that communicates an organizations strategic priority often and effectively. The study recommended that; the management of PATH should not over rely on written communication by presenting the strategic plan in many different ways and be creative with how they present your plan. Be clear and relevant by defining strategic terms and use clear language. Keep communication flowing in both directions either top-down and bottom up. Tap into the employees’ vision by being open to suggestions from the employees and flexible. PATH should pinpoint the key functions and tasks requisite for successful strategy execution, reflect on how the strategy-critical functions and organizational units relate to those that are routine and to those that provide staff support, make strategy-critical business units and functions the main organizational building blocks, determine the degrees of authority
needed to manage each organizational unit, bearing in mind both the benefits and costs of decentralized decision making and provide for coordination among the various organizational units. The management of PATH needs to have sufficient funds and enough time to support strategy implementation. A realistic time commitment from staff to achieve a goal, a clear identification of expenses associated with the strategy plan. Additionally, employees must have enough time to implement what may be additional activities that they are not currently performing. The management of PATH should adopt a culture that is dynamic, flexible and adaptive. When changing the organization’s culture it is critical to examine the whether the performance management matter, decision making respected or there are consequences for non-compliance. The study main focus was to examine on how institutional factors influence the implementation of strategic plans in PATH specifically on how communication, organizational structure, resource allocation and organizational culture influence strategy implementation. The study therefore, recommends that other factors such as top management support and stakeholder consultation influence organizational strategy implementation.

References


[19] Matanda and Ewing (2012). The process of global brand strategy development and regional implementation


[28] Pfeffer and Salancik (1978). The external control of organizations


