



STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE OF NATIONAL HOSPITAL INSURANCE FUND IN KENYA

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ABSTRACT

This study sought to investigating the influence of strategic management practices on the performance of National Hospital Insurance Fund in Kenya. The specific objectives of the study included; to determine the effect of strategic planning on the performance of NHIF, and to find out the effect of strategic intent on the performance of NHIF. The study was anchored on the Resource Based View Theory of the firm and System Theory. The study adopted a descriptive research design. The unit of analysis was NHIF headquarters in Nairobi while the unit of observation was 152 managers and supervisors in charge of strategic development and management, and strategic decision making and implementation. Using Yamane's formula the study used a sample size of 110 respondents. The sample was selected using stratified random sampling. For data collection, a structured questionnaire was used. The regression model was used to analyse the effects of independent variables on the dependent variable. The collected data was analysed by use of a Statistical Package for Social Scientists (SPSS). The analysed data was presented in tables and figures for ease of interpretation. The study found that strategy planning and strategy intent positively influences performance of NHIF. To keep up with the changing market need and improve on performance, the study recommends that NHIF should consistently undertake environmental scanning, set goals and formulate strategies taking into consideration the available resources for NHIF to attain its goals it has to have a well pronounced strategic intent where individual motivation is raised to a higher level such that each supports the other towards the defined vision.

Key Words: Strategic management practices, strategic planning, strategic intent, NHIF

INTRODUCTION

In the corporate world, the business atmosphere is rapidly changing necessitating the organizations to adopt strategic management practices that give them a competitive edge and lead to improved performance (Gure & Karugu, 2018). The environment is constantly evolving at a rapid rate and the strategies being adopted and practiced by organizations need to be flexible enough to take into account the dynamic environment (Chemjor, 2017). This is necessary because the ultimate desire of the majority of organizations in the world is to attain high performance. The performance of organizations is associated to the different parameters and indicators applied to measure organizational performance (Odongo & Owour, 2015). The performance of an organization is usually measured in terms of profit and loss, revenue, customer satisfaction, target met among other quantitative and qualitative measures (Saitoti, 2016). According to Mbula (2017) performance of an organization depends on the right application of strategic management practices. This is because strategic management

practices aid in steering the organization through the dynamic and sometimes unfavorable environmental conditions (Kinoti, 2012).

Strategic management practices enable organization managers to develop strategies to avert crises that arise due to the turbulence in the business environment (Njue & Ongoto, 2018). The environment more so leads to unprecedented change in organizational operations and thus the right mix of strategic management practices enables the organization embrace change in a positive manner. Strategic management practices are a set of management initiatives designed to influence the change management process in the organization, bringing order and direction to the process of pursuing organization goals and fulfilling its mandate (Van der Voet, 2014). According to Bakar, Tufail, Yusof, and Virgiyanti (2019) strategic management practices that are conceptualized to influence the management of organization are strategic planning, strategic leadership, evaluation, organizational culture and employee motivation. The application of these initiations strategically is bound to influence the performance of the organization as imputed by Gachuma (2018).

In Kenya, NHIF has instituted strategic management practices in bid to boost overall organizational performance as well as enhance service efficiency and productivity (Ochodo, Oloko & Yabs, 2020). However, the current practices have not achieved the envisaged results. NHIF, being the only affordable medical insurance provider, should, by now reached all the corners of the forty-seven (47) counties of Kenya. Unfortunately, that is not the case. In general membership enrolment for formal and informal sector populaces is recorded to have secured and reached 4.5 million people (which is a paltry 11% of the Kenyan populace). While inclusion is high for the formal sector (99%), inclusion of the informal sector segment which represents over 80% of Kenya's workforce has demonstrated to be more challenging, and stays low at 26% of the informal sector populace (USAID, 2016). These figures bespeak of the low and dismal performance, far much less than the overall public expectation of Kenyans. This study therefore sought to investigate the influence of strategic management practices on the performance of National Hospital Insurance Fund.

Statement of the Problem

Players in the national health sector have been facing structural, policy and performance challenges. The continuous need for better services from the customer base shows the need for better strategic practices. This necessitated NHIF to design and implement various strategic management practices including 2009-2014, 2015-2018 and currently 2018-2022. However, the insurer has had challenges attaining the set targets and this has been attributed to implementation issues (Wangari, 2014). For instance, majority of Kenyans are not members of the NHIF nor do they have a medical care insurance scheme citing poor services; only 25% of Kenyans had some form of medical insurance with the distribution at 20% in urban areas and 7% in rural areas (USAID, 2018). Also, the penetration of NHIF is 15.6% which represents only 80% of those with health insurance cover (Mbau, Kabia, Honda, Kara & Barasa, 2020). Therefore, achieving universal health financing coverage has been a challenge to NHIF (Muiya & Kamau, 2017).

NHIF is geared toward leading Kenyans to Universal Health Coverage, a move to incorporate all Kenyans into the health insurance program. NHIF needs to work towards increasing its revenue stream in order to achieve this goal. NHIF needs to come up with aggressive ways of increasing growth and retention of its members which has been a challenge especially with the COVID menace which rendered many Kenyans jobless and without income. NHIF member retention is currently at 77percent and 30 percent for the informal sector (NHIF strategic plan 2018-2022). It also needs to come up with strategic aggressive measures for employer compliance which has gone down significantly. NHIF needs to come up with control measures to reduce fraud which is currently at 29% (NHIF strategic plan 2018-2022). This will help the fund optimize its operations and also grow its financial base.

Various studies have been conducted on strategic management practices with differing results. Wambugu and Waiganjo (2015) conducted a study on the effect of strategic management practices on organizational performance of construction companies in Nairobi, County, Gachuma (2018) on the relationship between strategic management practices and financial performance of surveying firms, while Murugi and Ongoto (2018) focused on strategic management practices and change implementation in selected public universities. This study differs with the present as it was more holistic and covered a wide geographical area though focused on only one of the elements of strategic management practices. The current study has a contextual and content bias towards establishing the influence of strategic management practices on the performance of NHIF. The study by Gabow (2019) focused on the effect of strategic management practices on the performance of Kenya Commercial Bank in Kenya. The empirical study was descriptive in nature applying stratified random sampling methodology but it differs from the present study in terms of context and context as this study was conducted in a public institution operating in the health sector. To fill these research gaps, this study focused on establishing the effect of strategic planning, strategic intent, strategy implementation, and strategy control on organizational performance of NHIF.

Objectives of the Research Study

This study strove to establish the following specific objectives;

- i. To determine the effect of strategic planning on organizational performance of National Hospital Insurance Fund in Kenya.
- ii. To find out the effect of strategic intent on organizational performance of National Hospital Insurance Fund in Kenya.

LITERATURE REVIEW

Theoretical Review

Management by Objectives

Management by objectives (MBO), also known as management by planning (MBP) was developed by Peter Drucker in 1954. Management by Objectives is a management approach performance in which parity is looked for between the targets of workers and the goals of an association. Subside Drucker, (2005) addressed why in both the old style and human relations schools of the management, adequacy was consequently viewed as a characteristic and anticipated result. As per Drucker effectiveness was a higher priority than effectiveness and was the establishment of each association.

The embodiment of Peter Drucker's fundamental rule is to decide the joint goal and to give criticism on the outcome, setting testing yet achievable target advance persuasive and strengthening of employees. Management by objective manages a particular sort of association, explicit to an administrator and his representative (Antoni, 2005). MBO relies upon the thinking that diverse hierarchies inside associations ought to be composed. There was a prerequisite for obligation, by extending obligation, executives are permitted the opportunity to focus on new contemplations and headway that add to the improvement and goals of affiliations MBO transforms into a system by which the objectives of an affiliation are agreed to and chose the organization and the laborers, thusly the delegates understand what is foreseen from them and help set their own individual targets. Along these lines, they accomplish both their own objectives and the association's objectives.

Management by objective is set in steps strategic organizational goals are expressing focuses each degree of the executives in the association takes part in the key arranging procedure and the making of execution framework to effectiveness viability in the actualizing of the plan (Roth, 2009). The objective stems from the mission and vision of the organization, then the objectives are shared among the individual units for efficiency reason the role of management at this point is to monitor and evaluate performance, Peter Drucker used specific measurable

acceptable realistic and time bound, the role of acceptable is crucial as its about agreement between the employees and the organization the management allows objectives to be clearly recognizable at all levels and everyone knows what their responsibilities are in the organization furthermore, communication is important when it comes to expectation feedback and giving rewards for goals that have been achieved the theory is advantageous as objectives are discussed by all and agreed upon, their participation in setting goals and deciding course of action and making decision, increased motivational and job satisfaction, relationship between managers and employees is improved, better communication and coordination inside the association is expanded and destinations are set separately for every department (Islami, Mulolli & Mustafa, 2018).

This theory is applicable in National Hospital Insurance Fund since the management at all levels of NHIF can discuss with its employees on how to achieve its mission and vision by incorporating its internal capacity through evaluation of task, people, structure and culture in a continuous loop would aid in improvement of organization performance. Task evaluation would enhance identification of nature of work, anticipated work flow, skill gaps and reward and risk to be adopted. People evaluation in an organization would aid in identification of employee attitude, characteristics and preferences. Examination of culture would aid in identification of norms, values, beliefs and leadership styles. Also, organization structure would aid in evaluation of decision-making criterion, division of labor, span of control and line of staff

Resource Based View Theory

Barney's 1991 article "Firm Resources and Sustained Competitive Advantage" is widely cited as a pivotal work in the emergence of the based view theory (RBV). RBV proposes that firms are heterogeneous because they possess heterogeneous resources, meaning firms can have different strategies because they have different resource mixes (Rothaermel, 2012). RBV is premised on various theoretical works focusing on distinctive competencies, Ricardian economics, Penrosian economics and anti-trust implications (Arikan, 2001). The focus of RBV is all round as the advocacy is not confined on resources available but also the social implications of competitive firms in the market. Resources are given to companies in order to achieve firm's performance through tangible and intangible resource.

According to Wernerfelt (1980) a firm will have competitive advantage when it is implementing a value, and is creating a strategy being implemented by its competitors. On the other hand, when creating strategies and implementing values it creates competitive advantage and creating a strategy that have not been implemented by its competitors and when the competitor is unable to duplicate the benefits of the strategy. According to Musa, Ghani and Ahmad (2012) the valuable characteristic is associated with the ability of the resource to enable the implementation of the strategies. Resource-based theory suggests that resources that are valuable, rare, difficult to imitate, and non-substitutable best position a firm for long-term success. When a resource is valuable, it helps the organization to take advantage of opportunities and also be ready for any threats it may face (Rothaermel, 2012).

In order to understand the source of competitive advantage, it is then assumed that a firm's resource is heterogeneous and immobile. The firm must first have resources that must be valuable in executing organization strategy efficiently and effectively. Resources should also be rare and not possessed by current and future competitors. These resources cannot be copied and there are no alternative options with other firms. Spender, (2006) questions the usefulness of the resource-based view in the strategic management literature. For this reason, it is helpful to begin with understanding of how the resource-based view is positioned. The focus on competitiveness in the resource-based view has emerged as an important part of the competitive strategy in the field of strategic leadership and the focus of leadership is influenced by the corresponding paradigms they are set in.

Barney, (1991) developed a model that showed the interaction between firm's immobile resource and sustainability of firm's competitive advantage. The model can be used by an organization to analyse resources with the potential of generating a sustainable competitive advantage. An aggregated view of strategic leadership is derived from concepts which encompass decisions, actions, dealings and investments all of which determine a firm's performance (Wheelen & Hunger, 2004). This theory therefore, is related to the execution of strategic intent as it tends to tie to performance of organizations with the way they tap into their internal resources in order to create a sustainable competitive advantage.

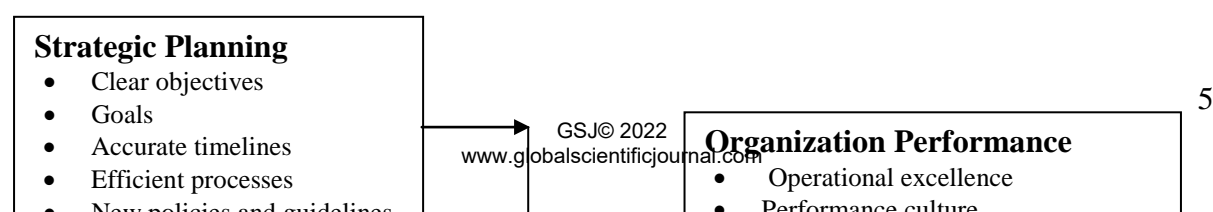
Empirical Literature Review

Ikoro and Nwosu (2017) studied the effect of strategic planning on the organizational performance of the bottling plant in Nigeria. The study assessed the role of commitment and accountability of the strategic plan in affecting financial and non-financial aspects of the Nigerian bottling plant. The finding established that the firm had an established unit that spearheaded strategic planning function though there was need to strengthen the commitment and accountability of the management within the firm. The study had adopted a survey research design and had a sample of 124 respondents established through the Taro Yamen's formula. The study differs in terms of the research instrument utilized as it makes use of 4 Likert Scale measurements as well as in the aspects of strategic planning whereby it gave more emphasis on the employee's welfare, skills and commitment. The results of Ikoro and Nwosu (2017) confirms those of Taiwo and Idunnu (2010) who established that strategic planning influenced the performance of commercial banks in Nigeria due to embracing the art of setting clear objectives and allocating resources according to needs and expected results.

Njoroge (2018) study was conducted in event planning firms operating within the Nairobi County CBD and utilized the descriptive analysis to arrive at the conclusion that strategic planning influences the performance of event planning firms. This study utilized descriptive statistics and multiple regression to conduct data analysis whereas the present study went a step further to not only utilize a regression model but also incorporate more inferential statistics in establishing the size of effect of each of the independent variable on the dependent variable.

Gabow and Kinyua (2018) studied the effect of strategic intent on performance of Kenya Commercial Bank. The study used a descriptive research design to allow the researcher collect primary and secondary data. The sample was defined using stratified random sampling methodology generating a sample size of 73 respondents. The findings of the study showed that strategic intent was important in buttressing the importance of mission and vision of the organization towards performance. The study also established that sense of direction, continuous communication and ownership of objectives are pertinent components of strategic intent in the organization. These components tend to align the employees' purpose and desires to those of the organization, thus reconciling their aspirations and thus focusing on the sole direction of improving the performance of the organization. The study falls short in explaining the aggressive nature that embodies the strategic intent limiting itself to the elements of vision, mission, objectives and policies. The results of this study by Gabow and Kinyua (2018) conformed to those of Pateman (2015) who conducted a study on strategic intention and knowledge creation effect on logistic industry performance. The study by Pateman (2015) found that strategic intent could be utilised to improve and improvise on knowledge and skills capacity for propelling the organization towards its purpose. The study by Pateman (2015) did not carry out an inferential analysis but limited itself to descriptive statistics like correlation, mean and standard deviations.

Conceptual Framework



Strategic Planning

According to Njoroge (2018) strategic planning is the first stage in strategic management process beside strategy implementation and strategy evaluation and control. According to Wendy (2013) strategic planning could be viewed as a procedure where the uniformity between organizational objectives, resources and the dynamic environment is generated. The main aim being to document the way of doing business, describing how business activities were carried out and the resources required to fulfill them towards organizational success (Wendy, 2013). Strategic planning can also be interpreted as the process of environmental scanning, setting goals and formulation of strategies taking into consideration the available resources (Alaka, Tijani & Abass, 2011).

The strategic planning is viewed as a systematic process that helps the management forecast the future of the organization in order to lay down the right strategies to reach the vision (Aldehayyat & Al Khattab, 2012). This ensures that any foreseen challenges in the environment are well catered for through strategies formulated. The strategic planning indicators in this study include; clear objectives, goals, accurate timelines and efficient processes. The purpose of the organization and the desire to accomplish the desired performance is reflected on the extent to which the management focuses on these indicators. Planning is future oriented and must be specific and measurable to enable the allocation of scarce resources within the organization.

Strategic Intent

Hamel and Prahalad (1989) defined strategic intent as “a stable obsession on winning, which specifies a desired leadership position and establishes the criterion the organization used to chart its progress”. This is comparable to the size of vision or ambition that the management of the organization. The strategic intent may be taken as the distilled and crystallized strategies of the organization that pinpoints out the ultimate direction that becomes the focus. It determines how the organizational resources are going to be allocated, to facilitate the activities and action plans that leads to the intended goals (Ajayi, 2020). According to Odita and Bell (2015) for an organization to attain its goals it has to have a well pronounced strategic intent where individual motivation is raised to a higher level such that each supports the other towards the defined vision.

This is the ambition that the organization has. This is the ultimate that the organization strategies are focused on. The allocation of resources is determined on the strategic focus of the organization. The size of ambition determines the extent to which employees get out of their way in order to clock in the right performance. Firms that have aggressive strategic intent influence their performance and are able to meet their stakeholder's demands. A clear strategic intent demands that the organization has a vision and mission that are focused and in line with their mandate. This also requires buying into by the management as well as the Board of the organization. It is through strategic intent that the focus on research and

development is directed towards the planned activities of the organization that are geared towards its profitability.

Organizational Performance

The organizational performance concept revolves around the voluntary and arranged nature of relationships between production factors and assists; these include the human capital, physical assets and capital resources that are directed towards a common destiny (Olaleken *et al.*, 2018). The stakeholders involved in the organization only commit their resources after reassurance of future gains in value of the assets committed (Carton, 2004).

The study by Olaleken *et al.*, (2018) lists down 15 indicators of organizational performance indicating the multidimensional nature of performance. Some of the measures of performance listed down include organizational adaptability and flexibility, customer and employee satisfaction, profitability, market share, efficiency in resource utilization, survival, openness in communication among others. The list by Steer (1975) where majority of Olaleken *et al.*, (2018) measures of organizational performance has been drawn shows a combination of both financial and non-financial measures. The current study adopted both financial and non-financial measures of organizational performance.

RESEARCH METHODOLOGY

This study adopted the descriptive research design. The study employed multiple linear regression models in ascertaining the effect of strategic management practices on organizational performance of National Hospital Insurance Fund (NHIF) in Kenya. The unit of analysis was NHIF headquarters in Nairobi while the unit of observation was managers and supervisors in charge of strategic development and management, and strategic decision making and implementation. Therefore, the target population for this study was the management of NHIF at the Headquarters. The process of arriving at the right sample size was enabled by the Yamane (1967) formula. The sample size was 110 respondents. Because they are cost-effective and convenient to collect and summarize replies, primary data was obtained utilizing structured questionnaire. The study used SPSS package to run the analysis as it has the ability to carry out inferential statistics analysis especially regression analysis as depicted in the model below.

DATA ANALYSIS

Descriptive Analysis of Study Variable

Strategic Planning

The respondents were required to indicate the extent to which strategic planning influences the performance of NHIF (Where 1-Not at all, 2-Less extent, 3-Moderate Extent, 4 –Great extent and 5 -Very Great extent. The results were as shown in Table 1.

Table 1: Strategic Planning

Statement	Mean	Std. Dev
The clear objectives of the organization influence the performance of organization	3.684	0.816
The communication of objectives and their ownership influences the performance of the organization	3.918	0.855
The organizational goals are cascaded downwards thus leading to enhanced performance	3.622	1.007
The communication process instituted through strategic planning has influenced the performance of the organization	3.898	0.898
The decision-making process influences performance of the organization	3.837	0.831
The performance targets are with set timelines thus influences organizational performance	3.684	0.950
There are clear processes for each activity in the organization	3.847	1.044

Human capital that is inculcated through strategic planning influences organizational performance.	3.980	0.851
Aggregate Score	3.809	0.907

Source: Survey Data (2022)

The results show that the respondents agreed to a great extent that the clear objectives of the organization influence the performance of organization as shown by a mean of 3.684, the communication of objectives and their ownership influences the performance of the organization as shown by a mean of 3.918, the organizational goals are cascaded downwards thus leading to enhanced performance as shown by a mean of 3.622, the communication process instituted through strategic planning has influenced the performance of the organization as shown by a mean of 3.898, the decision-making process influences performance of the organization as shown by a mean of 3.837, the performance targets are with set timelines thus influences organizational performance as shown by a mean of 3.684, there are clear processes for each activity in the organization as shown by a mean of 3.847, human capital that is inculcated through strategic planning influences organizational performance as shown by a mean of 3.980.

As shown by an aggregate mean value of 3.809 and standard deviation of 0.907, the respondents agreed on average with the statements on strategic planning. This is an indication that strategic planning affects organization performance of NHIF. Therefore if NHIF improves their strategic planning, they will be in a position to improve their organization performance. The findings agree with those of by Khoshtaria (2018) who established a significant and positive relationship between strategic planning and organizational performance. Taiwo and Idunnu (2010) who established that strategic planning influenced the performance due to embracing the art of setting clear objectives and allocating resources according to needs and expected results.

Strategic Intent

Respondents were requested to indicate the extent to which strategic intent influences the performance of NHIF. The results were as illustrated in Table 2.

Table 2: Strategic Intent

Statement	Mean	Std. Dev
The embrace of objectives and organizational plans influences NHIF performance	3.827	0.989
The vision of the organization enhances the focus towards o	3.653	0.883
The organization is structured on winning in the health insurance sector	3.837	0.892
The organization focuses on ambitious strategic objectives	3.776	0.778
The directed communication on the purpose of NHIF influences its performance	3.765	0.823
The organization is strategically aggressive	3.633	1.046
The knowledge of desired future brings forth the senses of belonging leading to organizational performance	3.776	0.940
There is clear understanding of the business model adopted, thus enhancing NHIF performance	3.684	0.878
The purpose of organizational existence enhances NHIF performance	3.867	0.815
The identification of employees with organizational concurring objectives creates commitment thus enhancing organizational performance	3.724	0.866
Aggregate Score	3.754	0.891

Source: Survey Data (2022)

The findings presented in Table 2 shows that the respondents agreed to a great extent that the embrace of objectives and organizational plans influences NHIF performance as shown by a mean of 3.827, the vision of the organization enhances the focus towards goals as shown by a mean of 3.653, the organization is structured on winning in the health insurance sector as shown by a mean of 3.837, the organization focuses on ambitious strategic objectives as

shown by a mean of 3.776, the directed communication on the purpose of NHIF influences its performance as shown by a mean of 3.765, the organization is strategically aggressive as shown by a mean of 3.633, the knowledge of desired future brings forth the senses of belonging leading to organizational performance as shown by a mean of 3.776, there is clear understanding of the business model adopted, thus enhancing NHIF performance as shown by a mean of 3.684, the purpose of organizational existence enhances NHIF performance as shown by a mean of 3.867 and the identification of employees with organizational concurring objectives creates commitment thus enhancing organizational performance as shown by a mean of 3.724.

Based on the findings, the respondents agreed with the statements on strategic intent. This is confirmed by an aggregate mean value of 3.754 and a standard deviation of 0.891. Therefore, if NHIF is able to improve their strategic intent, they will be in a position to improve their organization performance. The findings agree with Odita and Bell (2015) who posits that for an organization to attain its goals it has to have a well pronounced strategic intent where individual motivation is raised to a higher level such that each supports the other towards the defined vision. It also agrees with Ajayi (2020), that firms that have aggressive strategic intent influence their performance and are able to meet their stakeholder's demands.

Organizational Performance

The respondents were requested to indicate the extent of performance in NHIF (Where 1-Not at all, 2-Less extent, 3-Moderate Extent, 4 –Great extent and 5 -Very Great extent). The results were as shown in Table 3.

Table 3: Organizational Performance

Statement	Mean	Std. Dev.
The implementation of strategic management practices has resulted in reduced turnaround times	3.837	0.844
The practice of strategic management in the organization has enhanced customer services	3.939	0.822
Strategic management practices have reduced the number of customer complaints	3.735	1.004
Strategic management practices have enhanced employee skills hence improved performance	3.980	0.933
Strategic management practices have led to increased support services and service points	3.806	0.871
Strategic management practices have improved quality and effectiveness of services contributing to overall organizational performance	3.878	0.790
Strategic management practices have improved the retention rate of employees	3.765	0.956
The strategic management practices deployed in the organization has improved stakeholder relations	3.816	0.987
Strategic management practices have enhanced the productivity of the employees	3.796	0.820
Aggregate Score	3.839	0.892

The findings show that the respondents agreed to a great extent that implementation of strategic management practices has resulted in reduced turnaround times as shown by a mean of 3.837, the practice of strategic management in the organization has enhanced customer services as shown by a mean of 3.939, strategic management practices have reduced the number of customer complaints as shown by a mean of 3.735, strategic management practices have enhanced employee skills hence improved performance as shown by a mean of 3.980, strategic management practices have led to increased support services and service points as shown by a mean of 3.806, strategic management practices have improved quality and effectiveness of services contributing to overall organizational performance as shown by

a mean of 3.878, strategic management practices have improved the retention rate of employees as shown by a mean of 3.765, the strategic management practices deployed in the organization has improved stakeholder relations as shown by a mean of 3.816 and strategic management practices have enhanced the productivity of the employees as shown by a mean of 3.796.

Inferential Analysis

Table 4: Pearson Correlation

		Performance	Strategy planning	Strategy intent
Performance	Pearson Correlation	1		
	Sig. (2-Tailed)			
	N	98		
Strategy planning	Pearson Correlation	.761**	1	
	Sig. (2-Tailed)	.003		
	N	98	98	
Strategy intent	Pearson Correlation	.703**	.379**	1
	Sig. (2-Tailed)	.015	.049	
	N	98	98	98

Source: Survey Data (2022)

The findings shows that strategic planning and performance of NHIF had a strong and positive correlation ($r=0.761$, $p=0.003$). The relationship between the two variables was considered significant since the p-value (0.003) was less than the selected level of significance (0.05). Therefore, if strategic planning is improved then organizational performance will also improve. The is in agreement with the findings of Ikoro and Nwosu (2017) that firms had an established strategic planning function is needed to strengthen the commitment and accountability of the management within the firm.

The findings also showed that strategy intent and performance of NHIF had a strong and positive correlation ($r=0.703$, $p=0.015$). The p-value (0.015) was less than the selected level of significance (0.05) suggesting that the relationship was significant. Therefore, if strategy intent increases, organizational performance will improve and vice versa. The findings are in line with those of Odita and Bell (2015) that for an organization to attain its goals it has to have a well pronounced strategic intent where individual motivation is raised to a higher level such that each supports the other towards the defined vision.

Univariate Regression Analysis

Strategic Planning and Organization Performance

A univariate analysis was conducted to determine the effect of strategic planning on the performance of NHIF. The research question was:

Does strategic planning have an effect on the performance of NHIF?

The R-Squared depict the variation in the dependent variable that can be explained by the independent variable: the greater the value of R-squared the greater the effect of independent variable. The R Squared can range from 0.000 to 1.000, with 1.000 showing a perfect fit that indicates that each point is on the line. Table 4.12 below indicates the amount of variation in organizational performance that can be explained by strategic planning

Table 5: Model Summary for Strategic Planning

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761 ^a	.579	.561	.8942

Source: Survey Data (2022)

As indicated in Table 5, the r-squared for the relationship between strategic planning and organizational performance was 0.579; this is an indication that at 95% confidence interval, 57.9% variation in organizational performance can be attributed to changes in strategic planning. Therefore, strategic planning can be used to explain some changes in organizational performance of NHIF. The remaining variation (42.1%) may be related to the other factors as indicated in the multiple regression model.

The analysis of variance is used to determine whether the regression model is a good fit for the data. Significance of the model was tested at 95% confidence interval. Table 4.13 presents the ANOVA findings.

Table 6: ANOVA for Strategic Planning

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	14.892	1	14.892	15.563	.000 ^b
1 Residual	91.862	96	0.9569		
Total	106.754	97			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Strategic Planning

Source: Survey Data (2022)

From the analysis of variance (ANOVA), the study found out that the regression model was significant at 0.000 which is less than the selected level of significance (0.05). Therefore, the data was ideal for making a conclusion on the population parameters. F test gave a value of F (1, 96) = 15.563, $p < 0.001$. The F calculated value was greater than the F critical value ($15.563 > 3.940$), an indication that strategic planning significantly influences organizational performance of NHIF. This validates that strategic planning is a valuable predictor of Organizational Performance.

The coefficients or beta weights for each variable allows the researcher to compare the relative importance of each independent variable. In this study the unstandardized coefficients and standardized coefficients are given for the multiple regression equations. However, discussions are based on the unstandardized coefficients. Table 4.14 presents the findings obtained.

Table 7: Regression Coefficient for Strategic Planning

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.654	.342		6.829	.000
Strategic Planning	.367	.092	.404	4.563	.034

a. Dependent Variable: Organizational Performance

Source: Survey Data (2022)

From the results the regression model was;

$Y = 1.654 + 0.367 X_1$; Where Y is organizational Performance and X_1 is Strategic planning.

The above regression equation revealed that holding strategic planning to a constant zero, organizational performance of NHIF will be at a constant value of 1.654. The findings also show that strategic planning is statistically significant in explaining organizational performance of NHIF ($\beta = 0.367$, $P = 0.034$). This indicates that strategic planning positively and significantly relates with organizational performance of NHIF. This can be interpreted to mean that when strategic planning is carried out in an organization it is bound to experience positive performance. The findings agree with the Management by objective theory that planning is necessary step in achieving strategic organizational goals (Roth, 2009). It also agrees with those of Taiwo and Idunnu (2010) that strategic planning influence the

performance of commercial banks in Nigeria due to embracing the art of setting clear objectives and allocating resources according to needs and expected results. Strategic planning allows the management to view an organization as a system made up of subsystems that are linked together by strategies.

Strategic Intent and Organization Performance

A univariate analysis was conducted to establish the effect of strategy intent on the performance of NHIF. The research question was:

Does strategic intent have an effect on the performance of NHIF?

Table 4.15 below presents the value of R^2 referred to as coefficient of determination. The value of R^2 refers to the amount of variation in organizational performance that can be explained by strategic intent.

Table 8: Model Summary for Strategic Intent

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703 ^a	.494	.445	0.96902

Source: Survey Data (2022)

As indicated in Table 8, the r-squared for the relationship between strategic intent and organizational performance was 0.494; this is an indication that at 95% confidence interval, 49.4% variation in organizational performance can be attributed to changes in strategic intent. Therefore strategic intent can be used to explain some changes in organizational performance of NHIF. The remaining variation (50.6%) may be related to other strategic management factors practiced in the organization.

Table 9: ANOVA for Strategic Intent

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	16.435	1	16.435	17.503	.000 ^b
Residual	90.144	96	0.939		
Total	106.579	97			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Strategic Intent

Source: Survey Data (2022)

From the analysis of variance (ANOVA), the study found out that the regression model was significant at 0.000 which is less than the selected level of significance (0.05). Therefore, the data was ideal for making a conclusion on the population parameters. F test gave a value of $F(1, 96) = 17.503$, $p < 0.001$. The F calculated value was greater than the F critical value ($17.503 > 3.940$), an indication that strategic intent significantly influences organizational performance of NHIF. This validates that strategic intent is a valuable predictor of Organizational Performance.

Table 10: Regression Coefficient for Strategic Intent

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.787	.206		1.829	.000
	Strategic Intent	.678	.794	.676	6.456	.016

a. Dependent Variable: Organizational Performance

Source: Survey Data (2022)

Table 10 above indicates that strategic intent had a positive and significant relationship with organizational performance. This can be interpreted to mean that when strategic intent is well defined in the organization there is a high likelihood to experience improved performance.

Therefore, the simple regression model can be presented as $Y = 1.787 + 0.678X_1$. Where Y is organizational Performance and X_1 is Strategic intent.

The research question that was being answered was, does strategic intent have an effect on the organizational performance of NHIF?

The findings also show that strategic intent is statistically significant in explaining organizational performance of NHIF ($\beta = 0.678$, $P = 0.016$). This indicates that strategic intent positively and significantly relates with organizational performance of NHIF. This can be interpreted to mean that when strategic intent is carried out in an organization it's bound to experience positive performance. Therefore, the research question does strategic intent have an effect on the organizational performance of NHIF is answered to the affirmative. This indicates that defined strategic intent within public organizations do affect their performance.

The results of this study are similar to those of Pateman (2015) who found that strategic intent could be utilised to improve and improvise on knowledge and skills capacity for propelling the organization towards its purpose. This study also agrees with the findings of Gabow and Kinyua (2018) that strategic intent was important in buttressing the importance of mission and vision of the organization towards performance. The study also established that sense of direction, continuous communication and ownership of objectives are pertinent components of strategic intent in the organization.

Conclusions

The first research question was 'Does strategic planning have an effect on organizational performance of National Hospital Insurance Fund in Kenya?' The study found that strategic planning had positive influence on performance of NHIF. The p-value was less than 0.05 which meant that influence was significant. This was an indication that a unit increase in strategy planning would results to an increase in performance of NHIF. The study therefore concludes that strategy planning had positive effect on performance of NHIF in Kenya.

The second research question was 'Does strategic intent have an effect on organizational performance of National Hospital Insurance Fund in Kenya?' The study found that strategic intent had positive influence on performance of NHIF. Also, the p-value was below selected level of significance (0.05) suggesting the influence was significant. Therefore, unit increase in strategic intent results to an increase in performance of NHIF in Kenya. Based on the findings, the study concludes that strategic intent positively affects performance of National Hospital Insurance Fund in Kenya.

Recommendations for Policy and Practice

On matters pertaining to the strategic planning of the organization, this study recommends the following. NHIF need to set clear objectives that are measurable, timely and attainable. These objectives should be communicated to all the employees of the organization. The ability of the organization to set long range objectives that are broken down to miniscule one to be implemented within short period of time signifies capability of management to internalize the role of time, focus and allocation of scarce resources. NHIF does should be in a position to plan effectively in future taking into consideration the risks involved in running their programmes. There is always the need to incorporate actuaries that would be in a position to model various scenarios that may arise in the health sector. Thus, strategic planning will always play a critical role to not only performance but the survival of the organization.

In respect to strategic intent the desire to win or obsession to win should be inculcated to each of the employees the moment they join NHIF. This should become part of the organization beliefs forming part of the culture. The aspirations of the management should be in tandem with the purpose of the organization as this reduces conflicts between what the management aspires and the need to maintain the initial course or foundational basis of the organizations. This study recommends reconciliation of the purpose of NHIF with the current play of

environment or expectations of the NHIF stakeholders. There is need to reconcile the strategic intent of NHIF with the client's expectations especially on the insurance aspect and service providers by the contracted institutions.

Suggestions for Further Research

The study aim was to establish the influence of strategic management practices on the performance of National Hospital Insurance Fund (NHIF). The study recommends that this study should be replicated in the private sector. The study also recommends that a study should be conducted to cover other strategic management practices to cover 35.1% of the objectives that were not covered in this study.

Future researchers and academicians should conduct an exploratory study of the remaining 35.1% of the unexplained variance in our present model. The exploratory study can take into consideration factors like the political, economic and regulatory factors. Other factors that may be considered in the study would be governance structures within the organization

While this study was majorly based on assessing strategic management practices of NHIF, the study did not investigate competitive strategies employed by the health insurance scheme: this leaves a lot to be done in this area in order to bridge this knowledge gap. Therefore, the researcher suggests that future research to be conducted with regard to strategies employed by NHIF towards competitive advantage. The scope of further research may be extended to other specific institutions in the Health Financing industry in Kenya. In this way, it can be known if the findings are similar in all other Health Financing sector

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