



**INFLUENCE OF STRATEGIC PLANNING PRACTICE ON SUSTAINABLE GROWTH OF PRIVATE HOSPITALS IN KENYA**

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### ABSTRACT

*The Kenyan health sector comprises the public system, with major players including the MOH and parasternal organizations, and the private health sector, which includes private for-profit, NGO, and FBO facilities. Kenyan Health services are provided through a network of over 4,700 health facilities (KMDB, 2016). Private health sector (both for-profit and not-for-profit) contributes to over 40 percent of health services in the country, providing mainly curative health services and very few preventive services (Muga, Kizito, Mbayah& Gakuruh, 2005). The government health service is supplemented by privately owned and operated hospitals and clinics and faith-based organizations' Hospitals and clinics, which together provide between 30 and 40 percent of the hospital beds in Kenya (Gok, 2011).The private hospital makes a substantial contribution to Kenya's health services provision which has grown significantly in the recent years. Health sector is an important contributor to the society strengthens and carries out measures for the prevention, eradication and control of diseases, and to provide adequate and effective diagnostic, therapeutic and rehabilitative services for the whole population. However, these objectives have been pursued against a backdrop of a rapidly rising population, currently estimated at 28 million people and increasing poverty levels with over 50% of Kenyans living in absolute poverty. To add to this gloomy environment, State support for health and education has been radically reduced. (MOH, 2014). The new challenge facing Hospital managers today is how to develop strategies that will help to provide adequate and effective diagnostic, therapeutic and rehabilitative services for the whole population. To support sustainability efforts, the hospital managers have to create a vision for the future that is widely shared by top, middle and operational managers which is a major concern in strategic management practice. A critical determinant of the hospital sustainability is the ability of the managers to make good decisions and to manage their implementation. Therefore, a panacea must be found for the health sector, if it must adequately meet its challenges and have the ability to meet the increasing consumer needs.*

**Key words;** Strategy, Strategic Planning, Strategic Planning Private Hospitals Health Sector

## INTRODUCTION

In today's contemporary world, organizations are facing international competition and thus the management of such organizations are constantly formulating strategies to enable the organizations retain their market share. According to Huskisson (2014), strategy is primarily concerned with the actions organizations take to achieve competitive advantage and create value for the organization and its stakeholders. Strategy is a process of identifying internal and external factors of an organization crucial to facilitating an organization to achieve its objectives. The objectives of an organization is achieved by the agreement on performance goals, the allocation and definition of resources priorities, informing managers to review or to maintain the current policy or plans to meet these goals, and the sharing of the performance results in the process of pursuing those goals. Strategy involves forward looking into the future and should contain broad based goals and the specific means of measuring progress towards reaching those goals. Measurements towards meeting goals in an organization are very important to ensure the adjustments and obtain the goals (Academic J. 2018). Kivuva (2015) asserts that In order to gain a competitive edge in a dynamic business environment businesses must incorporate strategies which has immense benefits that can be experienced in an organization. Effective strategies facilitate organizations to effectively steer through challenges in terms of the practice perspective on strategy shifts concern from the core competence of the corporation to the practical competence of the manager as strategist. Namusonge & Warren, (2016). For any organization, strategy helps in interrogating the long term plans and ensuring that there is harmony between the vision, mission, objectives, core values, activities and its environment. Strategy is developed at the managerial level but now the focus is broader than the simple analysis of strategic direction: the issue is how managers and consultants

act and interact in the whole strategy-making sequence. Thus the practice perspective is concerned with managerial activity, how managers 'do strategy'. There are inspirational parts to doing strategy the getting of ideas, the spotting of opportunities, and the grasping of situations. But there is also the perspiration the routines of budgeting and planning as they unwind over the year, the sitting in expenditure and strategy committees, the writing of formal documents, and the making of presentations. Practice is concerned with the work of strategizing-- all the meeting, the talking, the form-filling and the number crunching by which strategy actually gets formulated and implemented routines, rather than knowledge of some textbook ideal. Effectiveness also demands an acute understanding of the different roles of various kinds of strategy practitioners..Health care organizations today are required to provide high clinical quality, high levels of functional quality (i.e. patient satisfaction), and cost effective patient care (health services) with the scarce resources they are allocated. (Fottler & Blair,2002).However, like any other organization, health sector has to develop strategies that help them respond to environmental factors as well as competitive challenges (Susan, Peter, Keong & Timothy,2002).The economic environmental changes are characterized by such predispositions as the globalization, changing customer and investor demands, ever-increasing product-market competition. The idiosyncratic nature of the environment suggests the need to develop strategic management models that are specific to the sector (Jeroen, Gerard & Kees, 2014).

The aim of every organization is to achieve and maintain a sustainable competitive edge however the present day environment is so dynamic and fast changing making it very difficult for any modern business enterprise to continuously operate and sustain competitive edge (Shreyas et al., 2015). According to Rajasekar (2014), the dynamic and turbulent environments, requires analyzing and understanding the uncertainties, threats and

constraints in turbulent environments, making business corporations to be under great pressure and struggle to sustain healthy survival. Dyllick (2016) argues that for sustainability in turbulent environments, business must proactively embrace strategic management practices that integrate social, economic, political and environmental issues and explore possible emerging opportunities for sustainable development.

Kangogo, Musiega & Manyasi (2013) argued that organizations must adopt strategic management practices that will tailor their strategies in addressing the unique challenges facing the business so as to meet their customer's expectation and achieve their long term objectives. Zsolnai (2016) noted that over the last few generations the customer expectations have changed considerably challenging business which only concentrated on maximizing the profit and minimizing their cost at expense of customer retention. This is evidenced various studies, Ogaja and Kimiti (2016) which observed that many business in Kenya are struggling to achieve their long term objectives and have failed to retain their markets share. Namusonge, Kabare & Mutua, (2012) also noted that most organizations in Kenya has been experiencing turbulent times with regard to their organizational strategies and practices in the last two decades resulting to generally low profits across the economy.

Hospitals as social institutions are more important to society however Kinuthia and Owuor (2013) in selected hospitals in Nairobi Kenya revealed that hospitals are also struggling to retain their market due to completion, discriminating modern consumers who have less disposable wealth than their parents fuelled by skyrocketing costs in the dynamic environment. According to Sadikoglu and Olcay (2014), firms develop strategic management practices to facilitate them to know their customers' requirements and expectation and focus on serving them. According to Sriram & Revathi, (2016) Strategic Management practices are expected to align

organizational planning and performance measurement, facilitates an appropriate balance between organizational priorities and resolving local problems, and encourages behaviors that are consistent with the values upon which the organization is built which lead to suitability and growth. However in a changing environment, an open system like a hospital either changes with its environment or perishes as their services demands for highly-qualified medical and administrative personnel, along with modern and costly technology while the society and government pressure them to reduce costs and humanize services which is worsening the gap between the demand for and supply of health services in Kenya (Kinuthia & Owuor, 2013). Jeroen et al (2012) argued that the future of the hospitals is no longer as certain as the greatest challenge for hospitals is to carry out their social mission of providing a high-quality health services at a reasonable cost while maintaining long-term sustainability. Despite these challenges, it is evident that most research undertaken in this area has concentrated organization performance (Akingbade & Akinlabi, 2010; Njagi, & Kombo, 2014; Uzel, Namusonge & Obwogi, 2013) It's on the background of the above challenges that the sector has not been able to expand as rapidly as the population to ensure adequate coverage, accessibility and acceptable quality of health services. Sustainability of health sector requires a structure for examining the environment under which the hospital are operating and developing strategic management and approaches that are appropriate for sustainability, therefore this study was undertaken to find out whether strategic management practices can be considered as an important future predictor on sustainable growth of private hospital in Kenya.

### **Research Objective**

To establish the influence of strategic planning practice on sustainable growth of Private Hospitals in Kenya

## RELATED LITERATURE

### Theoretical Framework

#### Resource-Based Theory

Organizational strategy is dependent upon a defined mission or set of objectives that are intended to help direct an organization toward a desired outcome (Rangan, 2004). These objectives can only be achieved if the necessary resources are available. A resource is anything which could be thought of as a strength or weakness of a given firm which can be internal or external to the organization. However, despite having overarching goals to accomplish, the manner that an organization chooses to fulfill its mission is often limited by resource availability (Froelich, 1999). According Nimwegen et al., 2008; Rangan, 2004), how organization views the state of its internal and external resources and coordinates the deployment of these resources dramatically affects strategic decision making and fulfillment of strategic goals. Same applies to healthcare organization since they have to be deploy of their resources such that that they can fulfillment the strategic goals.

The resource-based theory which stems from the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance. Valuable and rare resource can create a sustainable competitive advantage if it is also inimitable and non-substitutable (Barney & Clark, 2007). It should be clear by now that the search for strategic capability that provides sustainable competitive advantage is not straightforward. It involves identifying capabilities

that are likely to be durable and which competitors find difficult to imitate or obtain. Resource Based view, further contend that organizational performance will primarily be determined by internal resources that can be grouped into three all-encompassing categories: physical resources, human resources, and organizational resources. Physical resources include all plant and equipment, location, technology, raw materials, machines; human resources include all employees, training, experience, intelligence, knowledge, skills, abilities; and organizational resources include firm structure, planning processes, information systems, patents, trademarks, copyrights, databases, and so on. These resources are actually what help a firm exploit opportunities and neutralize threats (Barney, 1991).

The hospital unique capabilities in terms of technical know-how and managerial ability are important sources of heterogeneity that may result in sustained growth. In particular, distinctive competence and superior organizational routines in one or more of the hospital functions may enable it generate returns from a resource advantage. It's also worth to note that the hospital will not sustain its growth because it has better resources, but rather the organization's distinctive competence involves making better use of its available strategic capabilities.

Hospital managers should consider RBV the mix, type, amount, and nature of a firm's internal resources when devising strategies that can lead to sustainable growth. Managing strategically according to the RBV involves developing and exploiting a firm's unique resources and capabilities, and continually maintaining and strengthening those resources. The theory asserts that it is advantageous for a firm to pursue a strategy that is not currently being implemented by any competing firm. When other firms are unable to duplicate a particular strategy, then the focal firm has a sustainable competitive

advantage, according to RBV theorists (Johnson, Scholes & Whittington, 2005)

Penrose (1959) cited by Vanessa & Xavier (2013) noted that the growth of a firm considers all resources and particularly productive and administrative globally. Therefore, Resource-Based Theory influences managers to new business models. In order to create value, firms must acquire, accumulate, combine and exploit resources. Further, Penrose (1959) cited by Vanessa & Xavier, (2013), Considers optimal growth of a firm as limited only in the long-run by its internal management resource which involves a balance between exploitation of existing resources and development of new resources. Resource-based approach explanations for the direction of a firm's strategy will basically be related to its available resources and the market opportunities in the environment. The task of strategic management practices is to constantly champion in the search for ways in which the firm's unique resources can be redeployed in changing circumstances.

Hospital managers should consider RBV the mix, type, amount, and nature of a firm's internal resources when devising strategies that can lead to sustainable growth. Therefore Resource dependency theory was therefore adopted in this study to form the frame of reference when analyzing how health care organizations have created an environment conducive for proper utilization of resources at their disposal in defining their mission and setting their objectives that are intended to help direct an organization toward a desired outcome (Linda, Jack & Peter, 2006).

### **The Agency Theory**

The agency theory tends to take precedence against other strategic management theories since it is applicable at all the levels of the strategic management process from the corporate strategy to operational strategy (Muraguri & Wagoki 2016). The

objectives designed at all these levels must be supervised by the agents or managers for the organization to achieve its objectives management by objectives which observes that organization must formulate objectives at all strategic hierarchy levels (Krueger, 2004). Strategic objectives will only be achieved if there has to be collaborative efforts between the managers as agents and subordinates (Henry et al 2006). Strategic management programs require top managers to provide clear and visible support to the program. Without support of the manager as the agent, the synthesis between the individual and the organization goals does not develop. The principal's appetite for risk-sharing is of concern, because the principal has bestowed certain responsibilities unto the agent to achieve like-minded goals. These agents' sound management skills in regard to resources apportioned to their departments also enhances synergy that leads to competitive advantage.

Mintzberg, et al (2003) contends that strategic planning is essentially by agents as planners and therefore as strategists they should make their greatest contribution around the strategy formulation process rather than being inside it. They should supply the formal analyses or hard data that strategy thinking requires as long as they do it to broaden the consideration of issues rather than to discover the one right answer to the strategic formulation. He adds that planners (principals), based on this agency theory should give the agents good compensation that commensurate with the tasks assigned to them in order to motivate the agents to achieve the goals of the firm optimally. Mintzberg et al (2003) also says that using the managers as agents to strategic planning and more particularly to strategy formulation should have a committing style to engage employees of a firm in a journey that will help shape that cause of the organizations. It is therefore worth noting that the principals should agree with the agents on the best modes of compensation and they

(principals) carefully recruit a competent agent who will mobilize other employees in achieving the corporate objectives of the firm.

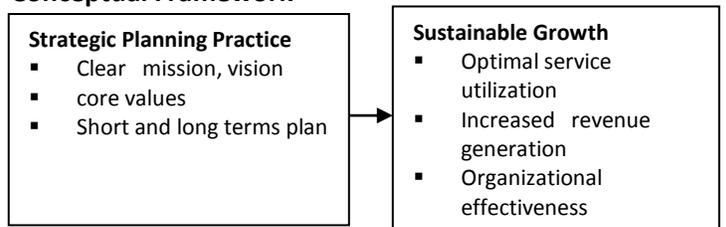
The Agency Theory stresses the importance of mutual and excellent relationship between the shareholders and management of the organization in ensuring the organizational business success. Strategic management research examines how the firms' internal mechanisms and attributes influence firm strategy and performance, However, Perrow (1986) also criticized the theory for being unrealistically one-sided because of its neglect of potential exploitation of workers. Furthermore, the agency theory stresses the essential important of mutual and excellent relationship between the shareholders and management of the organization in ensuring the organizational business success. Krueger (2004) observed that strategy formulation relies upon a team approach that flows from the corporate level to the functional level of the firm. The process relies on input from all levels of management (top to bottom and bottom up).

The stage of strategy formulation the chief executive should be the agent not be single minded but should involve other stakeholders and agents of strategy formulation at all levels of the organization. As the agent he should therefore embrace synergy by searching for information resulting in an evaluation of the task to be carried out (strategy formulation) and secondly he proposes a strategy to the board (principals), for their agreement and then carries out the agreed task (strategy implementation) in order to gain competitive advantage. This is in the light that at each level of the strategic formulation hierarchy, there has to be an agent charged with the responsibility of representing other stakeholders at other levels. It is therefore prudent to note that there should be synergy using the Agency theory and proper understanding between the principal and the Agent for the organization to achieve its objectives

efficiently and effectively. Hambrick & FinklStein (1987) explained that the role of the agent (CEO) discretion in firm performance and they concluded that strategic leadership of an agent (CEO) is pivotal to the success or failure of a firm.

The Agency Theory stresses the importance of mutual and excellent relationship between the shareholders and management of the organization in ensuring the organizational business success. Thus the Agency theory has been adopted in this study to help analyze the relationship between the stakeholders and the importance strategic management practices and particularly at the strategy formulation level. Further it will form a point of reference in analysis of objectives design at all these levels and how they are supervised by the agents or managers for the organization to achieve its objectives. This is because the motivation for growth is fueled by an environment where top managements are driven by desire to provide more complete and better lines of products and services, as well as the excitement of associating with a growing organization in employment size and asset base.

**Conceptual Framework**



**Independent Variable**

**Dependent variable**

**Figure 1: Conceptual Framework**

**Literature Review**

**Strategic Planning Practice**

Strategic planning creates a vision of the hospital's future, and uses this vision to set a strategic direction that defines values and directs actions. According to Huskisson (2014), strategy planning is primarily concerned with the actions organizations take to

achieve competitive advantage and create value for the organization and its stakeholder's Strategic direction is materialized by setting goals and objectives that create competitive advantage. The time span for strategic direction is from five to ten years depending on the resources of the hospital. Only after having set the strategic direction that one moves to the next step which is the strategic management A strategic plan not only creates a road map for practice growth, it also provides single or unified direction for the organization. The premise of the strategy as practice approach is that organizations do not have strategies but people do (Whittington, 1996). Within this perspective strategy is an activity undertaken by people in organizations the strategist is the center of the strategic scenario and the focus is on what actors actually do and the activities they carry out as strategists. Effective strategists certainly need to know about the analytical techniques of planning, the appropriate options of policy and the organizational processes of decision and implementation.

Strategic practice is any activity, related or unrelated to the formal, intended strategy that affects the strategic outcomes, directions, survival and competitive advantage of a firm (Jarzabkowski, Balogun, & Seidl, 2007). According Linda et al (2006), Strategic planning is the periodic process of developing a set of steps for an organization to accomplish its mission and vision by using strategic thinking, Strategic planning creates a vision of the hospital's future, and uses this vision to set a strategic direction that defines values and directs actions. However Catalin et al. (2014) argued that poor planning and leadership are major barriers of implementing strategic management practices within organizations. A strategic plan brings together a group of individuals and unifies their strengths so they can capitalize on the power of being in a group. Mintzberg (1990) noted that a strategic plan involves the external appraisal of threats and opportunities

and the internal appraisal of strengths and weaknesses of an organization which are linked together through key success factors and distinctive competences to create a strategy.

### **Sustainable Growth**

Rui Huang & Guiying Liu (2009) the sustainable growth is the necessary condition for the survival and the development of the enterprise, and it is thought as the scale to measure the strength of the enterprise. Firm sustainable growth is not a continuation of the status quo; it is a continuous process of co-evolution with a changing environment. It is a dynamic process underpinned by learning and creating new structures and ways of working to adjust and to continue adjusting to a changing set of conditions through developing organizational strategies. Organizational strategy is dependent upon a defined mission or set of objectives that are intended to help direct an organization towards a desired outcome (Rangan, 2004). Conventional wisdom about the health care industry says that competition is minimal among health care providers. However the truth is that Hospitals compete intensely. Economic viability and survival depends on making sound strategic choices regarding the mission and structure of the hospital, its operations, its relationships with its customer, and its relationships to other entities in the healthcare, business and regulatory environments

Kerry et al (1995) explained that managing hospital strategic growth involves an unwavering focus on patient experience which requires a thorough understanding of who the hospital customer is and how to customize and optimize hospital offerings. According American College of Physicians (2009) the Concern over the rising costs of medical care has resulted to increased pressure on hospitals to control patient care costs through the adoption of more efficient management techniques, such as those commonly employed by manufacturing firms.

Thorough understanding of who the hospital customer is and how to customize and optimize hospital offerings the managers will come with strategies that minimize the cost of hospital services and therefore increasing the facility utilization.

Strategic management practices such as strategic planning practices, strategic purchasing, strategic capability and strategic human resource management concept strategies will influence the sustainable growth of private hospital. Sustainable growth health care innovations is the driving force that balances growth and technical advances to the needs of the population and fosters better targeted and integrated innovations. Sustainable growth in the health systems is presumed to apply when the hospitals are able to deliver effective, safe, quality health services to those in need, with a minimum waste of resources while ensuring compliance to the government regulations. Sustainable growth in a health will be measured by how the facility utilization increased due to affordability and accessibility of various health services. Based on various theories, it is hypothesized that sustainable growth will be based on how well the management applies strategic management practices to achieve the sustainable growth. Service provision in Kenya health sector is critically constrained by a number of elements, including human resources, finances, and medical product supplies.

**METHODOLOGY**

Research study adopted descriptive survey approach. The descriptive survey method was preferred

because it ensured complete description of the situation, making sure that there was minimum bias in the collection of data and finding out the what, where and how of the phenomenon (Kothari, 2008). The target population of the study was 712 respondents derived from 178 private hospitals in Kenya comprising four respondents from each hospital. The target population comprised of top managements, middle level management, corporate affairs manager and a supervisor. The study adopted purposive stratified random sampling as the study population could easily be stratified into three distinctive stratas comprising of; level four (162), level five (10) and level six (6). The hospital levels therefore formed basis for stratification. The studies purposely choose a sample size of 30% of the target population comprising of managements and supervisors. According to Borg & Gall, (2003) at least 30% of the total population was enough for the sample size. The study used Regressions analysis to analyze the collected data in order to measure the influence of strategic planning practice on sustainable growth of Private Hospitals in Kenya. (Mugenda & Mugenda, 2003). The Regression Model was given as;

$$y = p_0 + p_1x_1 + \epsilon \dots\dots\dots (3.1)$$

y = dependent variable, sustainable growth of private hospitals

p<sub>0</sub> = constant

x<sub>1</sub> = strategic planning practice

p<sub>1</sub>..... Is the regression coefficients

## RESEARCH FINDINGS

### Descriptive Results of Growth

**Table 1: Sustainable Growth**

Variable	Mean	Std. Deviation	Cronbach's Alpha
Organizational effectiveness	4.51	.415	.798
Optimal services	4.31	.410	.713
Continuity of Operations	4.40	.354	.726

On average the respondents strongly agreed that organizational effectiveness increases sustainable growth. The respondents further agreed that optimal services and Continuity of Operations increase sustainable growth. Cronbach's alpha was used to test the reliability of the proposed constructs (Ali et al., 2016). The findings indicated that organizational effectiveness had a coefficient of .789; optimal

services had a coefficient of 0.713 while that of continuity of operation had a coefficient of .726. Sustainable Growth measures had Cronbach's alpha value of above the minimum threshold of 0.7.

### Descriptive Results of strategic planning practice

Table 2 gave the descriptive results related to the components of the strategic planning namely Clear mission, Clear Vision and long and short term values.

**Table 2: Strategic planning Practice Descriptive Results**

Variable	Mean	Std. Deviation	Cronbach's Alpha
Clear Mission	4.3025	.6742	.891
Clear Vision	4.3450	.5545	.757
Long & Short term plans	4.4025	.5080	.840

Table 2 showed that respondents agreed that Clear Mission influences sustainable growth. It had a mean of 4.3025. On average, respondents agreed that Clear Vision with a mean of 4.345 affects sustainable growth. Long and short plans had a mean of 4.4025 which implied that respondents agreed that it affects sustainable growth. Accord Mudassar and Hummayoun (2014) Strategic planning is dependent upon a clear vision, defined mission and set of objectives that are intended to help direct an organization toward a desired outcome..

coefficient of 0.757 while that of long and short term plans measures had a coefficient of .840. Generally the measures of strategic planning had Cronbach's alpha of above the threshold value of 0.7 hence the study was reliable.

### Strategic Planning Practice ANOVA Results

Table 3 presented the analysis of variance of the sub variables of strategic management and sub variables of sustainable growth. The results showed that there is some significant relationship between some sub variables of strategic planning and sustainable growth.

Cronbach's alpha was used to test the reliability of the proposed constructs (Ali et al., 2016). The findings indicated that clear mission measures had a coefficient of .891; clear vision measures had a

**Table 3: Strategic Planning ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
a.	Regression	4.153	3	1.384	5.670	.001a

	Residual	47.847	196	.244		
	Total	52.000	199			
	Regression	4.153	3	1.384	5.670	.001b
b.	Residual	47.847	196	.244		
	Total	52.000	199			
	Regression	3.154	3	1.051	3.936	.009c
c.	Residual	52.346	196	.267		
	Total	55.500	199			

a. Dependent Variable: organization effectiveness Predictors: (Constant), long\_short\_term, clear mission, clear vision

b. Dependent Variable: optimal services Predictors: (Constant), long\_short\_term, clear mission, clear vision

c. Dependent Variable: continuity operations Predictors: (Constant), long\_short\_term, clear mission, clear vision

Table 3 showed that each model had at least one significant factor affecting the dependent variable.

#### Strategic planning practices Goodness-of-fit Model Results

Table 4 gave the combined explanatory power of the sub variables of strategic management on the sub variables of the sustainable growth.

**Table 4: Strategic Planning Practice Model Summary Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.283a	.080	.066	.49408
2	.238b	.057	.042	.51679
3.	.201c	.041	.026	.51107

Predictors: (Constant), long\_short\_term, clear mission, clear vision Dependent Variable: organization effectiveness

Predictors: (Constant), long short term, clear mission, clear vision Dependent Variable: optimal services

Predictors: (Constant), long short term, clear mission, clear vision Dependent Variable: continuity operations

The results on Table 4 showed that Clear mission, clear vision and long and short term plans had explanatory power on the organization effectiveness as they accounted for 8% of its variability (R Square = 0.080) on Model. There is some moderate positive relationship between the sub variables of the strategic planning and sustainable growth.

On Model 2, the explanatory power of Clear mission, clear vision and long and short term plans had an explanatory power of 5.7% on optimal services while in Model three the three sub variables had an explanatory variable of 4.1% on continuity of operations.

#### Regression Results of Strategic planning and Sustainable Growth

To establish the influence of strategic management on sustainable growth, the following hypotheses were stated:

##### Hypothesis One

**H01:** There is no statistically significant influence of strategic planning practice on the sustainable growth of hospital in Kenya.

**H0A:** There is statistically significant influence of strategic planning practice on the sustainable growth of hospital in Kenya.

and sustainable growth. Further regression was also done between the strategic management variable and the sustainable growth.

Multiple linear regression analysis was done between the sub variables of the strategic planning practice

**Table 5: Strategic Planning and Organizational Effectiveness Regression**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.730	.362		13.072	.000
	clear mission	.164	.047	.240	3.475	.001
	clear vision	.130	.049	.183	2.643	.009
	long and short term plans	.018	.055	.022	.327	.744

From Table 5 it was seen that clear vision and clear mission significantly affect organization effectiveness positively. For every unit change in organization effectiveness, there were 0.164 and 0.13 unit changes in clear mission and clear vision respectively. A

multiple regression model between the sub variables of strategic management and organization performance was given as

$$Y_i = 4.730 + 0.164X_1 + 0.13X_2 \dots\dots\dots (1)$$

**Table 6: Strategic Planning Practices and Optimal Services Regression Results**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	5.159	.378		13.630	.000
	clear mission	.158	.049	.224	3.205	.002
	clear vision	.041	.052	.056	.802	.423
	long and short term plans	.009	.058	.011	.162	.872

From table 6 only clear missions significantly affects optimal services. The resultant equation was given as

$$Y_i = 5.159 + 0.158X_1 \dots\dots\dots (2)$$

**Table 7: Strategic Planning Practices and Continuity of Operations Regression Results**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	3.378	.374		9.026	.000
	Clear mission	.026	.049	.037	.530	.596
	Clear vision	.072	.051	.099	1.402	.162
	Long short term	.135	.057	.165	2.363	.019

Table 7 showed that only long and short term plans had a significant effect on continuity of operations. The equation was given as

$$Y_i = 3.378 + 0.135X_1 \dots\dots\dots (3)$$

**Table 8: Overall Regression Coefficients**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
	(Constant)	5.215	.285		18.308	.000
1	Strategic planning practice	.204	.067	.213	3.063	.002

a. Dependent Variable: growth

Table 8 showed that strategic planning practice has significant influence on sustainable growth of private hospitals in Kenya. The model was summarized as

$$Y_i = 5.215 + 0.204X_1 \dots\dots\dots (4)$$

It was concluded that Strategic planning practice has a significant influence on sustainable Growth. The findings agreed with Matata and Wafula (2015) who argued that for organizations to be success, strategic planning practices ought to be an integral part of any organization’s strategic management as strategic planning practices improves organization’s performance through coordination of activities, proper resources utilization which leads to enhanced organization service delivery and competitive edge over its competitors.

**Conclusions**

Strategic planning practice was found to be statistically significant in influencing sustainable growth of the private hospitals in Kenya. The findings provided evidence that strategic planning does matter in sustainable firm growth of private hospitals. It can therefore be concluded that strategic planning is a panacea to the sustainable growth of the private hospitals

**Recommendations**

The findings indicated that the level of strategic planning is positively associated with the sustainable growth of private hospitals. This conclusion is very significant for hospital managers because it shows them the usefulness and benefits of practicing strategic planning. Strategic planning is important for hospitals because in the time of increased health care demand, informed customers, technological change and increased dynamics in markets including new legislation governing the health sector. Even if several hospitals formulate business plans, the strategic planning and systematic decision-making should be considered as a key determinant of survival and success of private hospitals.

**Areas for Further Research**

This study showed that strategic procurement practice is not widely used concept among private hospitals in Kenya. It was recommended that a replica of this study should be carried out Future in future focusing on procurement practices in private hospital with view of understanding why it has not been considered as a key strategic activity.

It was recommended that a detailed study on the role the Kenyan government can play in assisting the private hospitals in supporting the private hospital in their desire to continue supplementing the health care management.

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