



**STRATEGY IMPLEMENTATION AND ORGANIZATIONAL PERFORMANCE. A CASE STUDY OF NATIONAL HOSPITAL INSURANCE FUND IN KENYA**

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**ABSTRACT**

*This study sought to examine the effect of strategy implementation performance of NHIF in Kenya. The study specifically sought to: determine the effect of organizational leadership on performance of NHIF in Kenya; establish the effect of organizational structure on performance of NHIF in Kenya; evaluate the effect of organizational culture on performance of NHIF in Kenya and to establish the effect of organizational communication on performance of NHIF in Kenya. The study was guided by the following theories; Resource Based View Theory, Situational Leadership Theory and the Behavioral Theory of the firm. The study applied a descriptive research design and the target population was 110 employees of national hospital insurance fund NHIF. To select a sample size of 88 respondents, the study used stratified sampling technique. Questionnaires were used to collect primary data. Pilot test was performed to test questionnaire reliability and validity. Data analysis method for descriptive statistics was used to analyze data supported by the Statistical Package for Social Sciences (SPSS) to calculate frequencies, percentage mean and standard results of deviation. Multiple Linear Regression model was used to determine the meaning of the dependent variable independent variables. The study findings revealed that organisation structure, organisational culture and communication had positive and significant effect on performance of NHIF in Kenya. On the other hand organisational leadership was found to have an insignificant effect on performance of NHIF in Kenya. This study concluded that strategy implementation factors which include organisation structure, organisation culture and communication play a significant role in firm performance. The study recommended that management of organisation should emphasize on strategy implementation in order to improve the performance of their organisations.*

**Key Word:** *organizational leadership, organizational structure, organizational culture, organizational communication, Performance*

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## INTRODUCTION

For any organization to succeed, the successful implementation of strategy is important. Despite a robust strategy implementation process, most companies have not been able to retain their competitive advantages because they lack mechanisms to execute strategies. Given the high failure rates in strategy execution, managers should be more diligent to execute the strategy. Varying reasons for the failing to implement strategy are frequently offered. While many people believe that it is important and necessary to devise unique and innovative strategies in order to lead a company to superior performance in a contemporary business environment, it is also crucial to ensure that such a strategy works. Managers should pay close attention to implementing strategies to avoid rising falls that lead to failure. A range of strategies can be applied which greatly improve the success of the implementation of the strategy. In fact, good strategic planning is a process in whose everyday decisions in a constantly changing environment the people actively consider strategy (Rajasekar, 2014).

Performance measurement indicates the financial capacity, significance, efficiency and effectiveness of the organization. Performance comes in different forms, based on who is meant to measure and for what. Different organizations require different measurements of performance to allow them to make decisions. According to Mutuku, Muathe and James (2019), organizational performance includes three particular fields of company results: financial performance, shareholders' return and product market performance. Kaplan and Norton (1996) propose that both financial and non-financial metrics such as customer satisfaction and retention should be included measurement of performance.

Structural changes, leadership, information and control systems and human resources are incorporated in the implementation of strategy (Richard, Kendrick and Vershinina, 2010). The implementation, according to Thompson and Strickland (2004), is an essential element of the process of the strategic and tactical plan and is

considered to be the mechanism which transforms the strategy into a series of measures and the results ensure the organization's vision, mission and strategic goals are achieved successfully, as expected (Armstrong, 2010). Implementation is the mechanism that translates strategies and objectives into actions to achieve strategic goals. It is as more crucial to execute your strategic plan than your strategy (Singh, 2011). The main activities turn the strategic plan into actions that drive growth in business from a paper on the shelf (Charumbira, 2014).

The National Hospital Insurance Fund (NHIF) was founded in the year 1966 as a department within the Ministry of Health under Cap 255 of the Laws of the Republic of Kenya to offer health insurance primarily for those in formal jobs. In 1972 a reform was introduced requiring those in informal jobs to join. The Fund was turned into a state corporation by Parliament Act, 1998 NHIF Act No. 9. Contribution rates increased with the implementation of a graduated rate in 1990 with NHIF contributions fixed at KSh.15,000 (Fifteen Thousand Kenya Shillings) wages and monthly contributions from

KSh.30 (Thirty Kenya Shillings) to KSh.320 (Three Thousand and Twenty Kenya Shillings). These are the recent rates, as improved rates suggested in 2010 by the Fund are under suspension by court order.

The Kenya Vision 2030 acknowledged social health insurance as one of the pillars for achieving universal health coverage in Kenya. In this respect, in the National Hospital Insurance Fund (NHIF), the government has been supporting reforms to make it one of the main drivers to achieve universal health coverage. These reforms since 2013 encompass structural adjustments at NHIF to make the organization more efficient and responsive to client requirements (NHIF, 2018). The reforms are in line with NHIF mission where it intends to make a contribution to universal health care in providing affordable, accessible, sustainable and quality health insurance through the strategic pooling of

resources and the purchase of healthcare in cooperation with stakeholders. Since 2013, the Government has promoted NHIF reforms to make it one of the main drivers of universal health coverage.

### **Statement of Problem**

Bennett (2006) maintains that, in order to record improved performance, any organization should depend on the quality and determination of its human capital in implementing the strategies set out. As a result, numerous development specialists have now decided to attract governments with strategic planning and rolling out concerted and extensive strategies to deliver effective service. In consideration of the many issues facing public sector organizations, it is important that they envisage obstacles, recognize their capabilities in achieving the expected performance and take control of the opportunities available to achieve maximum efficiency. Errigde and McIlrory (2007) acknowledge strategies are not being properly implemented by organizations, particularly in the public sector.

NHIF has undergone various internal restructuring reforms to attain a competitive edge in the now highly dynamic insurance sector. The bulk of the fund's strategies boil down to quality management, cost rationalization, value creation, reorganization of the financial mix, market presence, business development, integrated communication and operational excellence (Njau, 2011). Despite the initiatives stated, a report published by Deloitte.

(Strategic Review of the National Health Insurance Fund-Kenya, 2010) observed that NHIF was yet to achieve its strategic goals as spelt out in the Strategic Plan. The report further observed that the organizational, operational and individual outputs at NHIF were disconnected.

In relation to health insurance coverage in Kenya, only 11% of Kenyan citizens are covered which falls far much below the target. Further the coverage for the formal sector is relatively high, than that for the informal sector coverage, which accounts for more

than 80% of Kenya's workers, has remained low at 26% of the informal sector population and thus threatening the possibility of realizing the BIG 4 Agenda.

Empirical studies in the area of Strategy Implementation in NHIF are scarce. Njau (2011) examined the implementation challenges faced by NHIF; Mathauer, Schmidt and Wenya.

(2008) analyzed the factors affecting health insurance in the informal sector whilst Xu, James, Carrin and Muchiri (2006), established an empirical model for healthcare and poverty in Kenya. None of the studies concentrated on the strategy implementation in NHIF. This study sought to fill this knowledge gap by examining the role of strategy implementation on performance of NHIF Kenya.

### **Objectives of the study**

The general objective of this study was to examine the effect of strategy implementation on performance of NHIF in Kenya. The following specific objectives guided the study;

- To determine the effect of organizational leadership on performance of NHIF in Kenya
- To establish the effect of organizational structure on performance of NHIF in Kenya
- To evaluate the effect of organizational culture on performance of NHIF in Kenya
- To establish the effect of organizational communication on performance of NHIF in Kenya

### **LITERATURE REVIEW**

#### **Resource-Based View Theory**

The Resource-Based View theory was propounded by Penrose in 1959. Initially, it was referred to as Theory of the Growth of the Firm. Wernerfelt (1984) advanced the theory and named it the resource-based view. Wernerfelt observed that the company's possible advantages and weaknesses can be explained by its resources. The theory considers resources to be the essential to optimal company performance. This originated as an alternative to

achieving competitive advantage in the 1980s and 1990s. The competitive advantage of the firm, as per this theory, rests in its internal resources and not simply in its external role. The resource based view theory argues that companies have resources, most of which enhance competitive advantage, and also contribute to dominant long-term results. Valuable and unique resources can boost the advancement of competitive advantage.

The resource-based view (RBV) reveals that the company's resources are essentially those that decide competitive advantage and efficiency. Identification of competitive advantage factors requires two theories. Second, it is believed that companies in a sector can be heterogeneous when looking at the regulated assets. Furthermore, it is expected that asset heterogeneity is likely to continue for some time as the tools used to support the company's execution of strategy are not perfectly portable throughout businesses.

### **Situational Leadership Theory**

Situational leadership theory was propounded by Hersey and Blanchard (1988). This theory posits there is no "one size fits all" leadership strategy. Different levels of leadership and management are required, based on the situation. But; leaders must recognize their most essential tasks first. Second, leaders will understand their followers' level of readiness by assessing the potential and ability of the groups.

The basic principle of the theory of situation management is that there lacks a best leadership style. Good leadership is important to the mission, and those who match their style of leadership to the quality preparation of the person or group they are attempting to force or impact are the most effective leaders (Norris & Vecchio, 1992). According to Ghasabeh, Soosay & Reaiche (2015) Based on the above variables, the leaders must use the best style to adjust to the given situation. Situational leadership theory is relevant to the study because it clearly explains why some leaders excel in their mission to effective implementation of strategic plans while others fail.

### **The Behavioral Theory of the Firm**

March and Simon (1958) advanced the behavioral theory of the firm. Convincingly, the theorists contend that an objective study of human activity in organizations should take into consideration the motivational, mindset and moral aspects of human behavior. Consequently, both economists' research on the planning process and psychologists' work on interpersonal interaction and problem-solving skills relate to the emerging organizational research.

The attempt to define the organizational behavioral theory as part of a strategic management approach to organizational economics has its precedents, especially in the work of Barney and Ouchi (2006). Therefore, the behavioral theory of the organization serves as an essential element in transaction cost theory, as well as as a building block in dynamic capability theory and the growth of the economy (Nelson & Winter 2002).

The theory highlights the actual business decision making process and provides detailed observation of how organizations make those decisions. Cyert and March (2002) describe the rudiments of a company's behavioral philosophy that have proved applicable to both economic theory and complex organizational theory. Organizations offer the means for imposing power and control over everyone else to those in responsible roles.

### **Empirical Literature Review**

The style of leadership of any given organization defines how the chosen methods will be implemented. The leadership style of a specific organization would all impact the organizational structure, delegation of responsibilities, decision-making independence of executives and systems of opportunities and rewards. The most interesting thing to note here is that all of the above conditions are necessary in any given organization for successful implementation of strategies.

According to Cater and Pucko (2010), even though a well-formulated strategy, strong and effective pool of expertise, and human capital are essential tools for the implementation of the strategy, poor



leadership is one of the biggest barriers in the successful implementation of the strategy and performance. Beer and Eisenstat (2000) approached the problem from a different point of view; they proposed that in the absence of effective leadership competing goals would result in poor teamwork, since workers believe that top management prefer to avoid challenging and humiliating situations.

The studies by Bushardt, Glascoff and Doty (2011) analyzed Hewlett-Packard's strategic implementation framework and found that it was necessary for workers to respond easily on knowledge acquired to develop and implement strategies in the form of formal organizational structures. Two main issues can be presented in the organizational structure: decision-making and resource management.

A study by Zaribaf and Bayrami (2010) on the factors affecting the implementation of strategic plans portrayed a concern about business restructuring and suggested that the anticipated gains of the new strategy should outweigh it. They asserted that too often the attempts of restructuring spur unplanned discarding of knowledge that might have been recycled in another context for future growth. Past studies have addressed the connection between organizational strategy and structure by figuring out that one of the obstacles in executing the strategy is lack of coordination of activities.

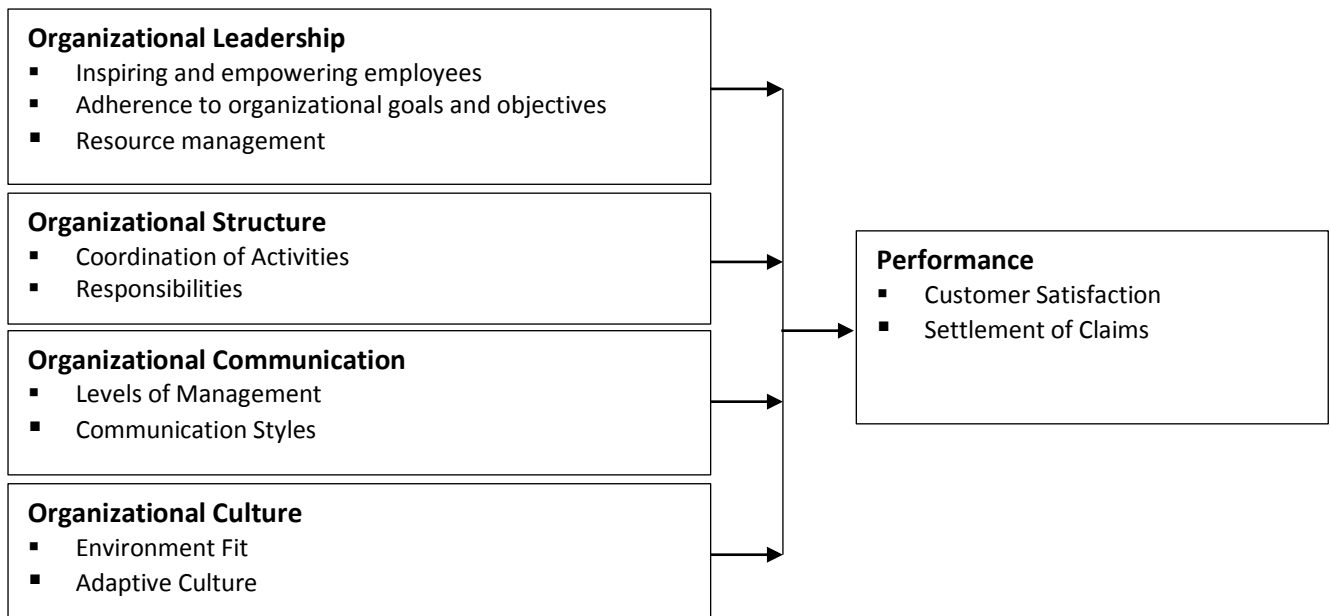
Shahzad, Luqman, Khan and Shabbi(2012) sought to conceptualize the influence of organizational culture on performance through review of established empirical research and models linking organizational culture to performance of organizations. Upon analyzing the broad literature, it was observed that the organizational culture has an effect on the range of processes of companies, personnel and their performance. Research suggests that if workers are motivated and share the same expectations and values, organizations

performance can be improved to meet the overall goals of the organization.

Ahmadi, Salamzadeh, Daraei and Akbari (2012) examined the effect of organizational culture in strategy implementation in banks in Iranian. The study found that there is a significant relationship between organizational culture and implementation of strategies.

A study by Turner (2012) on work-life strategies in the Australian construction sector shows that effective communication techniques on work-life interference and strategies within the company are important during implementation of the strategy. According to Beer and Eisenstat (2010), blocked top-down communication mainly has a malignant impact on the capacity for company to enforce and change its strategy. Likewise, Janis and Paul (2015) explored the relationship between a company's corporate communication role and execution of its plan, and discovered that CEOs concentrate on branding and credibility while prioritizing internal communication.

Husain (2013), reviewed literature to study the link between organizational communication and organizational change. It highlighted the benefits of successful communication linked to enhanced employee efforts to plan and implement change strategies. The literature has found that communication's role in business organizations during change is essential to successful change management. Employees are the key sources of organizational change. A study by Khan and Zafar (2014) on the impact of organizational factors on organizational commitment in banking organizations in Pakistan established positive correlation between communication and organizational commitment. Employee level of job satisfaction is increased with clear communication on job roles, responsibilities and feedback on performance.



**Figure 1: Conceptual Framework**

## METHODOLOGY

The study adopted a descriptive research design, which is a process of collecting data in order to answer questions concerning the current status of the subject in the study (Zikmund, 2013). Target population of the study was obtained from National Hospital Insurance Fund (NHIF) headquarters offices situated in community Nairobi County. The target population was a total of 110 top management level staff working in the organization. These staff included: 5 Directors, 6 Heads of Department, 21 Managers, 6 Regional Managers and 72 Branch Managers. The sample size of the population was 86 respondents. Primary and secondary data was collected for this study. The primary data was obtained by using semi-structured questionnaires. Quantitative data was analyzed using inferential and descriptive statistical analysis using SPSS version 23 software which was presented through percentages, means and standard deviation. Multiple regression analysis model was used to assess the effect of the independent variables on the dependent variable.

## FINDINGS AND DISCUSSIONS

### Descriptive Results for Organizational Leadership

The first objective of the study was to determine the effect of organizational leadership on

performance of NHIF, Kenya. The study asked the respondent whether NHIF in Kenya leadership had concrete vision for the future of the institution.

The results showed that 50.0% and 40.9% agreed and strongly agreed respectively. The study further sought to establish whether NHIF leadership took total control over the strategy formulation and implementation process without allowing employee participation. The results showed that 25.8% and 18.2% of the respondent agreed and strongly agreed respectively, those who disagreed were 19.7% while 36.4% were neutral on the statement. The result showed that 30.3% and 12.1% agreed and strongly agreed that NHIF leadership gathered as much information as they could from the employees on the strategy formulation and implementation process. On the other hand 27.3% disagreed while 30.3% were neutral.

The study further sought out whether NHIF leadership created a conducive environment for implementation of the strategic plan, the results showed that 51.5% and 12.1% of the respondents agreed and strongly agreed respectively. A mean response of 3.56 indicated that majority of the respondent agreed that leadership at NHIF had led to improved image of the organization. The study further sought to find out whether NHIF leadership

offer strategic decisions in strategy implementation and the results showed that 57.6% and 12.1% of the respondent agreed and strongly agreed respectively.

On whether, NHIF had leadership that inspired staff, the results showed that 43.9% and 6.1% of the respondents agreed and strongly agreed respectively. The results also showed that 36.4% and 24.2% agreed and strongly agreed that they had a leadership that empowered staff. The statement on whether the leadership was keen to adhere to the stated organizational goals and objectives, had a mean response of 3.76 which showed that majority of the respondent agreed. The study further sought to find out whether leadership was keen to manage resources efficiently. The mean response of 3.56 indicated that those who agreed were more than those who disagreed with the statement. The overall mean of 3.56 implied that majority of the respondent agreed with the statement on organization.

#### **Descriptive Results for Organisational Structure**

The second objective of the study was to establish the effect of organizational structure on performance of NHIF, Kenya. The results presented showed that majority of the respondent agreed on statement on whether decisions in NHIF were made at the top management level (mean response =4.42), whether NHIF had large number of written rules and regulations on job performance (mean =4.00), whether employees in NHIF conform to the documented standards of conduct (mean=3.91) and on whether NHIF had clear levels of responsibility and accountability (mean=3.76).

Similarly, the results showed that respondent agreed and strongly agreed that the existing organizational structure was adequate in coordinating work activities, and that the existing structure facilitated distribution of responsibilities to staff in the departments at different levels of hierarchy. On the other hand a significant percent of respondent 36.4% disagreed that authority in NHIF was delegated to employees to act on their

own. The findings implied that organisational structure at NHIF favored employees' performance except on authority delegation of employees.

#### **Descriptive Results for Organisational Culture**

The study further sought to evaluate the effect of organizational culture on performance of NHIF, Kenya. The results showed that 56.1% and 12.1% of the respondents agreed and strongly agreed that culture of employees at NHIF encourages work commitment. The results further showed that majority of the respondent agreed that NHIF had a culture that emphasized on performance as indicated by the mean response of 3.95. The respondents also agreed with statements on existence of a culture that is flexible. On whether the prevailing culture enabled NHIF to adapt to changing market demands, promotes continuous learning, it was result oriented, promoted teamwork and finally on feel that the organization properly fitted in its environment, The findings implied that NHIF had supportive culture that could promote and provide a conducive environment for employees to have high work commitment to enhance their performance.

#### **Descriptive Results for Communication**

The final objective of the study was to analyse the effect of organizational communication on performance of NHIF, Kenya. The study sought to find out whether vision of NHIF was shared among the employees from time to time, the results showed that 40.9% and 33.3% of the respondent agreed and strongly agreed. The results also showed that majority as indicated by the mean of 4.05 agreed that there was a deliberate program at NHIF to explain the goals and objectives of the organization in order to foster acceptability and good relationship between employees and the management.

The results also showed that majority of the respondent agreed with the statement on whether management emphasizes giving feedback to all whether positive or negative and whether the organization emphasizes open door policy among



all stakeholders. The results showed that 53.0% and 12.1% of the respondents agreed and strongly agreed that original policies were well documented and distributed to all. On whether there were clear lines of communication across all levels of management hierarchy, the results showed that 56.1% and 27.3% agreed and strongly agreed. The overall mean score of 3.94 confirmed that majority of the respondents were satisfied with communication at NHIF.

### **Descriptive Results for Performance**

In this section, performance was analysed in terms customer satisfaction, customer complaints, and increase in premiums and reduction in time taken to settle claims. The results showed that majority of the respondents ranked customer satisfaction and increase in premiums to have increased by 15-20% while customer complaints reduced by 10-15%, similarly taken to settle claims according to majority of the respondent decreased by 10-15%. The finding indicated that NHIF performance was well in customer satisfaction and premium collection while performed poorly in handling of customer complaints and time taken to settle claims.

### **Inferential Tests**

#### **Correlation Analysis**

The results of Correlation analysis presented in Table 1 showed that organisational leadership and performance had a Pearson correlation  $r = 0.331$ ,  $p = 0.000$ ). These results indicated that organisational leadership had a moderate positive association with performance. The finding further showed that increased in organisational leadership would results to increase in performance of NHIF.

The results further implied that there was direct relationship between organisational leadership and performance. The finding concurred with Cater and Pucko (2010), who found that poor leadership, is one of the biggest barriers in the successful implementation of the strategy and performance. The findings supported those of Matanda and

Ewing (2012) who explained the Board's role to ensure that personnel, procedures and the vision envisaged for the company are continued. The study concluded that organizational performance is directly linked to the effective leadership and the significance of the managers' ideals, principles, present prospects and restraints at a particular time.

The results presented also showed that organisational structure and performance had a Pearson correlation  $r = 0.358$ ,  $p = 0.000$ ) which also confirmed a direct association between organisation structure and performance. Increased in organisational structure at NHIF would results in increase in performance. The study finding supports those of Zaribaf and Bayrami (2010) who found that too often the attempts of restructuring spur unplanned discarding of knowledge that might have been recycled in another context for future growth.

The results show that organisation culture and performance had a correlation  $r = 0.163$  which indicated that organisational culture had weak positive association with performance. Increase in favourable organisation culture would improve the performance at NHIF. The study agreed with a study by Brenes and Mena (2012) that concluded that organizational culture promoting principles and values in the new strategy contributed to the successful implementation of the strategies in the studied firms.

Finally, communication and performance had a correlation  $r = 0.536$  which implied that association between communication and performance was strong, positive and significant. Increasing communication at NHIF would significantly improve performance according to these findings.

These finding supported a study by Khan and Zafar (2014) that found that employee level of job satisfaction is increased with clear communication on job roles, responsibilities and feedback on performance.

**Table 1: Correlation Matrix**

		Organisational leadership	Organisational Structure	Organisational Culture	Communication	Performance
Organisational leadership	Pearson Correlation	1				
Organisational Structure	Pearson Correlation	.674**	1			
Organisational Culture	Pearson Correlation	.504**	.691**	1		
Communication	Pearson Correlation	.690**	.542**	.550**	1	
Performance	Pearson Correlation	.331**	.358**	0.163	.536**	1
	Sig. (2tailed)	0.007	0.003	0.190	0.000	
	N	66	66	66	66	66

\*\* Correlation is significant at the 0.01 level (2-tailed).

**Multivariate Regression Analysis**

Multivariate regression was fitted to test whether strategy implementation (communication,

organisational structure, organisational leadership and organisational culture) significantly predicted firm performance of NHIF.

**Table 2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726 <sup>a</sup>	.527	.496	.68396

a. Predictors: (Constant), Communication, Organisational Structure, Organisational leadership, Organisational Culture

The model fitted had R Square =0.527 which showed that organisational leadership, organisational structure, organisational culture and communication explained 52.7% of the variation in performance of firm performance of NHIF. These

findings showed that organisational leadership, organisational structure, organisational culture and communication are significant predictor variables of firm performance.

**Table 3: Analysis of Variance (ANOVA)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.824	4	7.956	17.008	.000b
	Residual	28.535	61	0.468		
	Total	60.36	65			

a) Dependent Variable: Performance

b) Predictors: (Constant), Communication, Organisational Structure, Organisational leadership, Organisational Culture

The results in Table 3 showed ANOVA results of the model fitted to test the effect of organisational leadership, organisational structure, organisational culture and communication on performance of

NHIF. The results showed F-statistics =17.008, p-value =0.000 which was less than 0.05. The study therefore failed to reject the null hypothesis that model fitted had a goodness of fit. These results

established that organisational leadership, organisational structure, organisational culture and communication significantly explained performance of NHIF since the model was statistically significant

at 5 percent level of significance and could be adopted to predict the effect of strategy implementation on performance.

**Table 4: Regression Coefficients**

	B	Std. Error	Beta	t	Sig.
(Constant)	0.446	0.657		0.679	0.499
Organisational leadership	0.266	0.193	0.218	1.38	0.173
Organisational Structure	0.654	0.218	0.38	3.000	0.004
Organisational Culture	1.214	0.227	0.934	5.348	0.000
Communication	1.300	0.202	0.880	6.446	0.000

a. Dependent Variable: Performance

The optimal model therefore became;

$$P = 0.446 + 0.266 OL + 0.654 OS + 1.214 OC + 1.300 CO + \epsilon$$

**Where**

P = Composite index of performance

OL = Organisational leadership

OS = Organisational Structure

OC = Organisational Culture CO=Communication  $\epsilon$ = Error Term

The results showed that the coefficient for organisational leadership was  $\beta=0.266$ ,  $p=0.173>0.05$ . The findings showed that organisational leadership had a positive but insignificant effect on firm performance of NHIF. The results further showed that increase in organisational leadership would result to increase in performance of NHIF by 0.266units.

The results showed that the coefficient for organisational structure was  $\beta=0.654$ ,  $p=0.004<0.05$ . The findings showed that organisational structure had a positive and significant effect on firm performance of NHIF. The results further showed that increase in organisational structure would result to increase in performance of NHIF by 0.654units. The study finding supported those of Zaribaf and Bayrami (2010) who found that too often the attempts of restructuring spur unplanned discarding of knowledge that might have been recycled in another context for future growth.

The results further showed that the coefficient for organisational culture was  $\beta=1.214$ ,  $p=0.000<0.05$ . The findings showed that organisational culture had a positive and significant effect on firm performance of NHIF. The results further showed that increase in organisational culture would result to increase in performance of NHIF by 1.214units. The study agreed with a study by Brenes and Mena (2012) that concluded that organizational culture promoting principles and values in the new strategy contributed to the successful implementation of the strategies in the studied firms.

The results further showed that the coefficient for communication was  $\beta=1.300$ ,  $p=0.000<0.05$ . The findings showed that communication had a positive and significant effect on firm performance of NHIF. The results further showed that increase in communication would result to increase in performance of NHIF by 1.300units. These finding supported a study by Khan and Zafar (2014) that found that employee level of job satisfaction is increased with clear communication on job roles, responsibilities and feedback on performance.

**CONCLUSION AND RECOMMENDATIONS**

This study concluded that strategy implementation factors which include organisation structure, organisation culture and communication play a significant role in firm performance. Organisations that have structures for effective decisions making have rules and regulations on job performance and have existing structure that facilitate distribution of

responsibilities to staff in departments at different levels of hierarchy succeed in strategy implementation hence significantly improving their performance. Similarly, effective organisational culture such as a culture that encourages work commitment, emphasizes on performance and promotes continuous learning provide adequate environment for increased firm performance.

Organizational communication is essential part of strategy implementation when it has vision shared among the employees from time to time, foster acceptability and good relationship, emphasizes giving feedback, emphasizes open door policy among all stakeholders and has clear lines of communication across all levels of management hierarchy. Organisations that have communication that reinforces on these aspects improve firm performance.

The study made the following recommendation based on the study findings; to improve strategy implementation and firm performance, organisation leadership must be careful when taking control over the strategy formulation and implementation process to ensure that employees are incorporated at all stages to reduce resistance. The organisation leadership and management should further ensure that all the staff are empowered and inspired towards the common goal. The study further recommended that top management of organisational should adopt an organisation structure that encourages effective decisions making, has rules and regulations on job performance and have existing structure that

facilitate distribution of responsibilities to staff in departments at different levels of hierarchy in order to succeed in strategy implementation and improving performance. Top management of organisation should lead in adoption of a culture that encourages work commitment, emphasizes on performance and promotes continuous learning to provide adequate environment for increased firm performance.

The study also recommended that organisations must always encourage communication throughout the organisation by encouraging acceptability and good relationship, giving feedback, open door policy and clear lines of communication across all levels of management hierarchy to enhance performance of their organisations.

#### **Suggestions for Further Research**

This study showed that strategy implementation such as organisational leadership, organisational structure, organisational culture and communication explained only 52.7% of the variation in performance of firm performance of NHIF. Therefore, further studies should focus on factors that explain the remaining variation in performance of NHIF. The study further focused on only four aspects of strategy implementation, further research should focus on other aspects on strategy implementation not included in this study that affect firm performance. Finally, the effect of organisational leadership was found to be insignificant, further studies should be undertaken to address this conflicting results by focusing on different contexts using different methodologies.

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