

# **STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF NATIONAL HOSPITAL INSURANCE FUND IN NAIROBI CITY COUNTY, KENYA**

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## **ABSTRACT**

In the corporate world, the business environment is rapidly changing necessitating organizations to adopt strategic management practices that give them a competitive edge and lead to improved performance. National Hospital Insurance Fund has instituted strategic management practices in bid to boost overall organizational performance as well as improve service efficacy and productivity. However, the current practices have not attained the envisaged results. As much as various scholars have pointed out adoption of strategic management approaches such as strategic planning and strategic formulation often have a tendency to trigger improved organizational performance, limited studies have attempted to prove that these practices can actually yield tremendous results, considering the role of NHIF in the Kenyan populace. The general objective of the study was to determine the influence of strategic management practices on performance of National Hospital Insurance Fund in Nairobi City County, Kenya. The study's specific objectives were to determine the influence of; strategic planning practices, strategic formulation practices, strategic implementation practices and strategic evaluation practices on performance of NHIF in Nairobi City County, Kenya. The study was anchored on dynamic capability theory, Management by objective theory and Congruence Model Theory, which was useful in supporting the variables of the study. The study employed a longitudinal descriptive research design which was appropriate for a single organization, which in this case was the National Hospital Insurance Fund. The study's

target population comprised of 250 employees from NHIF head office hailing from human resource, administration, research and development, marketing, finance and strategic department. Stratified simple random sampling technique was utilized to choose respondents to get a sample size of 153 respondents. The data was acquired from primary and secondary sources. Primary data was collected through structured (close-ended) questionnaires. Self-administration and drop and pick methods were adopted for questionnaires administration. Collected data was analyzed using Statistical Packages for Social Science. Both descriptive and inferential statistics were used. Descriptive statistics were limited to frequency, percentage, mean and standard deviations. Inferential statistics were limited to Product moment correlation and regression modelling. The research findings were presented using tables. Multiple regression model was adopted to test the strength of the relationship between variables. From the regression model, the findings indicate that study variables significantly influenced performance of National Hospital Insurance Fund. Coefficient of adjusted determination was 0.734 which translates to 73.4%. This indicates that variations in dependents variable was explained by the independent variables (strategic planning practices, strategic formulation practices, strategic implementation practices and strategic evaluation practices). The residual of 26.6% could be explained by other factors beyond the scope of the current study. The study concluded that strategic management practices influence performance of National Hospital Insurance Fund. Further, the study recommend that National Hospital

Insurance Fund should ensure that its strategic formulation practices are completely working with negligible hitches as this contributes emphatically towards the improvement of its exhibition

regarding the development of client base, upheld hospitals and National Hospital Insurance Fund commitment.

## **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. Several areas have been identified as bringing in the much-needed edge in performance. A key ingredient of this is strategic management practices that a firm employ which is a top-level management discipline. The strategy has been described as the bearing and degree of a relationship over the long term, which achieves advantage in a changing circumstance through its arrangement of benefits and satisfy stakeholder desires (Gure & Karugu, 2018). A strategy is the assurance of a company's long term objectives and goals, then adopting courses of action and designating assets important to accomplish these objectives (Chemjor, 2015).

A strong strategic management capacity is fundamental to the achievement of an association since it guarantees a mix of a present moment and a long haul ability to read a compass near to its internal and external circumstances the two of which are dynamic (Mbogori, Ombui & Iravo, 2015). Firm performance is the conscious strategic and incorporated way to deal with conveying continued accomplishment to the association by improving the commitment of the individuals who work in it and building up the abilities of teams and individuals (Okwako, 2013).

According to De Waal and Kourtit (2013), performance encompasses three distinct but related organizational parameters namely, financial performance (return on investment, assets), product market performance (sale and market shares) and shareholder return (economic value added). Strategic management characterizes the motivation behind the organization and the plans and activities to accomplish that its goals. It is that managerial decisions and activities that decide the long term performance of the business enterprise. The strategic actions chosen help firms to drive down its costs, respond aggressively to competitors, seek to provide maximal customer value, or seek to speed up the pace of technological innovations (Kibicho, 2015). The purpose of this study is to explore how strategic management practices influence performance of National Hospital Insurance Fund.

### **Statement of the problem**

NHIF has instituted strategic management practices in bid to boost overall organizational performance as well as enhance service efficiency and productivity. However, the current practices have not achieved the envisaged results. It is not vividly clear why the said strategic

management practices have not been successful. Various scholars have pointed out adoption of strategic management approaches such as strategic planning and strategic formulation as key pillars in triggering improved organizational performance, limited studies have attempted to prove that these practices can actually yield tremendous results, considering the role of NHIF in the Kenyan populace (Chemjor, 2015; Ochodo, Oloko & Yabs, 2020).

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 enrollment 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.

But according to researchers conducted previously on NHIF, they have pointed out that some of the performance problem signals include delayed services to NHIF contributors (Gitahi, 2015) unsuitable low achievement rate (simply 10 to 30 percent) of proposed methodologies, inadequate technical know-how leadership and management styles, embezzlement of funds, poor management of resources, indistinct targets of techniques, absence of quantifiable measures, absence of a checking and assessment program, and inconsistency between the minimum NHIF contributions and the minimum wage levels as set by the Government.

Studies such as Daudi and Mbugua (2018) looked at the impact of strategic management practices on performance of transport Savings and cooperative organization society in Nairobi County; Willis (2018) carried out a study on methodology practices and performance of Kenya union of savings and credit co-operatives limited. Somewhere else, Maina (2016) conducted a research on the impact of monitoring and evaluation factors on performance of co-operative societies in Nairobi Kenya. Somewhere else, Kariithi and Ragui (2018) looked at Strategy Implementation Practices on Performance of Huduma Centers in Nairobi County; while Lilungu et al (2015) carried a study on effect of Strategic Planning on the Performance of Savings and Credit Co-Operative Societies in Kakamega County.

All the aforementioned studies have failed to link the core tenets of strategic planning practices to the performance of NHIF. Therefore, the study sought to fill the gap by determining the influence of strategic management practices on performance of National Hospital Insurance Fund in Nairobi City County, Kenya.

## **Research Objectives**

The specific objectives included;

- i. To determine the influence of strategic planning practices on performance of NHIF in Nairobi City County, Kenya.
- ii. To determine the influence of strategic formulation practices on performance of NHIF in Nairobi City County, Kenya.
- iii. To determine the influence of strategic implementation practices on performance at NHIF in Nairobi City County, Kenya.
- iv. To determine the influence of strategic evaluation practices on performance of NHIF in Nairobi City County, Kenya

## **Research Questions**

- i. What is the influence of strategic planning practices on performance of NHIF in Nairobi City County, Kenya?
- ii. What is the influence of strategic formulation practices on performance of NHIF in Nairobi City County, Kenya?
- iii. What is the influence of strategic implementation practices on performance at NHIF in Nairobi City County, Kenya?
- iv. What is the influence of strategic evaluation practices on performance of NHIF in Nairobi City County, Kenya?

## **Significance of the study**

The findings of this brings new insight to the health insurance sector, especially with respect to the adoption of strategic management practices in managing the inevitable challenges in the sector. Specifically, the NHIF might benefit a great deal from this concept of strategic management practices especially when the findings confirm what they do. Policies can then be made from the recommended strategic management practices to fast-track given the growing number of its membership which comes with unique needs that require responsiveness from the part of the funds.

Similarly, other health insurance schemes offered by private insurance firms could as well benefit from the findings of this study since the demographics of those buying the policy in the country largely remain the same. Therefore, the challenges that NHIF experiences may not be significantly different from those that they experience with respect to demand of medical services. In fact, with the increasing number of patients with lifestyle chronic diseases on the rise, it is all the more important to apply strategic management practices to deal with the arising issues on performance of health insurers to enable them provide better services to their clients.

To the scholars and future researchers in the same area, the study may shed more light on the scarcely researched subject of strategic management on performance. Moreover, this study

could add to the body of existing literature on the strategic management in relation with performance.

## **LITERATURE REVIEW**

### **Theoretical review**

#### **Dynamic Capability Theory**

Dynamic Capability Theory was proposed by Teece and Pisano (1994). Dynamic capability is the affiliation's ability to join, structure, and reconfigure internal and outside aptitudes to address rapidly advancing circumstances (Teece, Pissano, and Shuen, 1997). As indicated by (Helfat et al., 2007) Dynamic capabilities are the limit of an association to deliberately make, expand and change its assets base. Dynamic capabilities are about change the essential presumption of the dynamic abilities structure is that center capabilities ought to be utilized to alter transient serious places that can be utilized to fabricate longer-term upper hand.

The term 'dynamic' alludes to the capacity to restore proficiencies to adjust to the changing industry condition (Teece, Pisano and Shuen, 1997), dynamic capabilities in business includes corporate smoothness, the capacity to identify and shape openings and perils, clutch open entryways as they rise, and keep up power through updating, combining, verifying, and, reconfiguring the business endeavor's imperceptible and substantial assets. Dynamic capabilities when completely grasped enables a business to accomplish upgraded execution and get by in a powerful situation.

#### **Management by Objectives**

Management by objectives (MBO), also known as management by planning (MBP). The theory 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.

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.

### **Congruence Model Theory**

Congruence Model Theory was developed by David, Nadler and Tushman in the early 1980s. Organization management is a critical element for the overall performance of any organization. Effective management is often considered a difficult task especially in large organizations since it demands an adequate understanding of how every component of the organization operates and how they are interrelated. Given its inherent complexity and enigmatic organizational nature, congruence model has been pointed out as an effective tool for understanding the dynamics of an organization and so steer its performance forward (Noah, & Were, 2018). The congruence model developed by David Nadler and Michael Tushman in the 1970s has been an important tool through which organizational leaders understand and analyses the performance of their organizations as it is based on the principle that organizational performance stems from four elements which are tasks, people, structure and culture (Nadler & Tushman, 2010).

According to Awadh and Alyahya (2013) congruence model is considered to be a roadmap for adequate understanding organizational performance. As a tool, the model is critical in making sense of any terrain of organizational behavior to ensure high level performance and maximum organization output. It shows how different factors are related and interrelated as well as indicates which factors are critical for maximum productivity (Kariithi & Ragui, 2018). Akingbola (2013) did observe that effective management of any organization begins by having adequate understanding of the internal dynamics and performance of the organization. It is from the adequate diagnosis of the nature and the intensity of organizational internal problems that appropriate remedy is possible to be implemented successfully.

## **Empirical Review**

### **Strategic Planning Practices and Performance**

Awino, Muturia and Oeba (2012) directed an investigation on strategic planning, arranging results and authoritative execution. The investigation found that there is a positive and critical connection between strategic planning (seven elements of arranging) and firm execution; strategic arranging and planning results and firm execution. Along these lines, the present examination suggests that compelling and centered key arranging leads to positive change in the performance of the firm.

Okwako (2013) examined Strategic arranging and public schools' performance in Rarieda District, Kenya. Utilizing a cross-sectional design overview plan and structured questionnaires. Researcher gathered essential information from 27 public secondary schools in the Rarieda region. The information was examined utilizing both descriptive statistics and inferential statistics to determine the strength of linear relationships. The key discoveries of the examination were: majority of schools (74%) exercise formal strategic planning and strategic arranging is positively related to performance. Other than this, it was additionally settled that the administration does not complete careful natural investigation and does not include partners to a huge degree as required progressively still, the strategic plans created are not completely actualized.

### **Strategic Formulation Practices and Performance**

Kithinji (2012) did an investigation on the difficulties of strategy formulation and execution at Achilles Kenya ltd. It was a case study in where information was gathered over the period 2006 to 2011. The investigation found that that effective procedure usage can go far in helping an organization increase a serious edge, help in characterizing the matter of the association and help in accomplishing right direction. The study likewise found that those associated with system usage process in the association were senior directors, middle level supervisors and top administration and the all the workers. Communication was likewise seen as a key achievement factor within strategy implementation.

Gichohi (2010) conducted a study on strategy formulation and implementation at AAR group of companies. This study was about the strategy formulation and implementation process at AAR group of companies. The findings confirmed that the group formulated strategy and has continued to implement those strategies.

### **Strategic Implementation Practices and Performance**

Njue and Ongoto (2018) examined to explore strategic management practices and change execution in state funded colleges in Kenya. The examination utilized a descriptive research design to research the issue under investigation. The objective populace contained 309 representatives of 5 chose colleges which included University of Embu, Karatina University



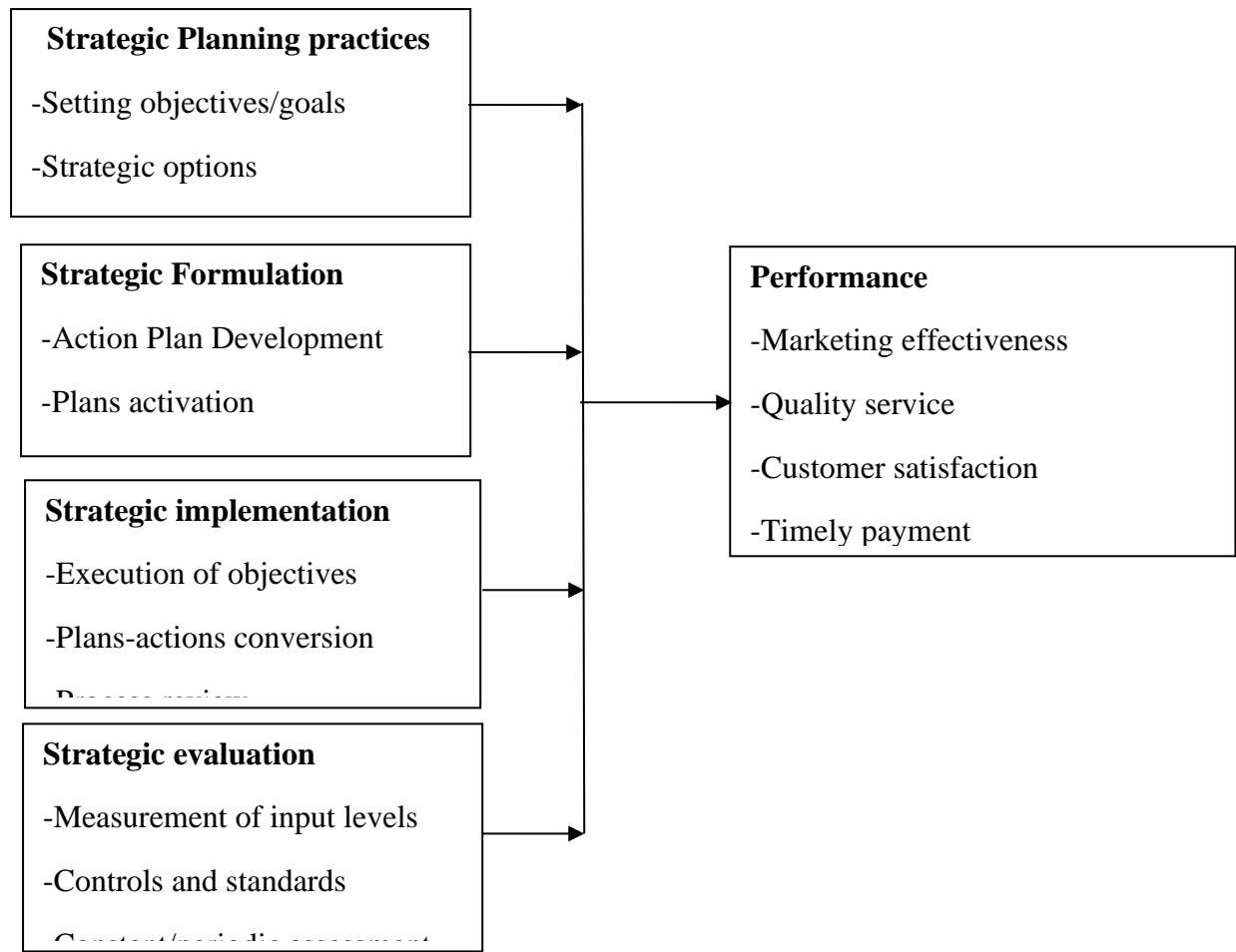
Kirinyaga University, Machakos University and Chuka University. The sample size of the population established of 174 respondents chose from teaching and non-teaching staff of 5 colleges chose in the investigation. The investigation uncovered that there exists a huge positive connection between strategic planning and change usage in public universities in Kenya. The investigation presumes that for viable intensity, public universities ought to endeavor to use strategic management practices, for example, representative strengthening, strategic leadership and organizational culture.

### **Strategic Evaluation Practices and Performance**

Noah and Were (2018) studied on effect strategic management process on performance of oil marketing companies in Kenya. The study utilized a descriptive survey design aimed at establishing the effect of strategic management process. The study population comprised of 31 Oil Marketing Companies in Kenya. The study selected a sample size of 143 respondents who were served with the questionnaire. Primary data was gathered using pre-determined questionnaires. Multiple regression analysis was utilized to analyze inferential statistics. Regression results reveal that strategic planning had a positive and significant relationship on the performance of oil marketing companies in Kenya. Further, the results established that monitoring and evaluation had a positive and significant relationship in the performance of oil marketing companies in Kenya.

Mugo (2014) researched on monitoring and evaluation of advancement projects and monetary strategy improvement in Kenya. The investigation looked to learn the relationship between the monitoring and assessment framework execution status as the dependent variable and training of the personnel actualizing monitoring and assessment functions, measure of money allocated and spent on observing and assessment, partners' support in usage of monitoring and assessment, institutional rules and political effect on execution of checking and assessment being developed projects as informative factors. Generally, a short run connection between the needy and logical factors was set up. Monitoring and evaluation being developed activities were found to have a measurably noteworthy impact on framework usage of strategic plans.

Conceptual framework as shown below discussed independent and dependent variables and their measurements.



**Independent Variables**

**Dependent Variable**

### Conceptual Framework

## RESEARCH METHODOLOGY

### Research design

The study employed a longitudinal descriptive research design which is appropriate for a single organization, which in this case was the National Hospital Insurance Fund. This examination how encourages examination of cases inside and out and utilizing different wellsprings of proof which makes them a valuable instrument for expressive research considers where the emphasis is on a particular situation (Bryman & Bell, 2011).

### Target Population

The study employed a longitudinal descriptive research design which is appropriate for a single organization, which in this case was the National Hospital Insurance Fund. This examination how encourages examination of cases inside and out and utilizing different wellsprings of proof which makes them a valuable instrument for expressive research

considers where the emphasis is on a particular situation (Bryman & Bell, 2011). They are presented in Table 3.1

**Table 3.1 Target Population Distribution**

<b>Department</b>	<b>Number of Employees</b>	<b>Percentage</b>
Human resources	30	12
Administration	30	12
Research and development	15	6
Marketing	65	26
Finance	70	28
Strategy	40	16
<b>Total</b>	<b>250</b>	<b>100</b>

**Source: NHIF 2019)**

### **Sampling Technique and Sample Size**

The respondents of the study were categorized into six groups or strata which will include the following departments: human resource, administration, research and development, marketing, finance and strategic. The study sample size of 153 was calculated using Isarel (2002) formula. The sample size distribution are presented in Table 3.2.

**Table 3.2 Sampling Distribution**

<b>Department</b>	<b>Number of Employees</b>	<b>Sample</b>	<b>Percentage (%)</b>
Human resources	30	18	11.76%
Administration	30	18	11.76%
Research and development	15	7	4.58%
Marketing	65	42	27.45%
Finance	70	48	31.37%
Strategy	40	20	13.07%
<b>Final Sample Size</b>	<b>250</b>	<b>153</b>	<b>100.0%</b>

**Source: NHIF Human Resource Department (2019)**

### **Research Instrument**

The information gotten from both primary and secondary sources. Secondary information sources were principally done through a survey of past works in the topic with set goal of discovering any current gaps that the research study can fill. Secondary data was collected

from NHIF published material to determine performance trends. Primary data was collected through structured (close-ended) questionnaires.

### **Data Analysis**

Collected data was cleaned, coded and entered into statistical packages for social scientists (SPSS). Quantitative analysis adopted descriptive and inferential statistics. Descriptive statistics were limited to frequency, percentage, mean and standard deviations. Inferential statistics were limited to Product moment correlation and regression modelling. The research findings were presented using graphs and tables.

Multiple regression model was considered appropriate because it provides an opportunity to test the strength of the relationship between variables. Multiple regression was conducted at 95% confidence level. The general multiple regression method adopted was represented in the form:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where: Y = Organization performance;  $\beta_0$  = Constant Term;  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  = Beta coefficients; X1= Strategic planning practices; X2= strategic formulation practices; X3= strategic implementation practices; X4= strategic evaluation practices;  $\varepsilon$  = Error term.

### **RESULTS**

The researcher conducted multiple regression analysis to examine relationship between strategic management practices and performance of National Hospital Insurance Fund in Nairobi City County, Kenya. In this case, strategic planning practices, strategic formulation practices, strategic implementation practices and strategic evaluation practices were regressed on performance. The results of Model Summary, ANOVA and Regression Coefficients are presented in the following subsequent sections.

#### **Model Summary**

The findings of coefficient of correlation and coefficient of determinations was identified by the researcher. The findings are indicated in Table 4.1.

**Table 4.1 Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R</b>	<b>Std. Error of the Estimate</b>
<b>1</b>	0.873	0.762	0.734		0.132

**a. Predictors: (Constant), Strategic Planning Practices, Strategic Formulation Practices, Strategic Implementation Practices and Strategic Evaluation Practices**

**b. Dependent Variable: Performance**

Table 4.1 illustrate that coefficient of correlation was 0.873. This indicates that the study variables significantly influenced performance of National Hospital Insurance Fund. Coefficient of adjusted determination was 0.734 which translates to 73.4%. This specifies that variations in dependents variable was explained by the independent variables (strategic planning practices, strategic formulation practices, strategic implementation practices and strategic evaluation practices). The residual of 26.6% could be described by other factors outside the limit of the current study.

### **ANOVA**

An ANOVA was conducted at 5% level of significant level. The comparison between F Calculated and F Critical was conducted. The results are illustrated in Table 4.2.

**Table 4.2 ANOVA**

<b>Model</b>	<b>SS</b>	<b>df</b>	<b>MS</b>	<b>F</b>	<b>Significance</b>
Regression	23.37	4	.467	4.13	0.002 <sup>b</sup>
Residual	97.36	136	1.943		
Total	120.73	140			

**a. Predictors: (Constant), Strategic Planning Practices, Strategic Formulation Practices, Strategic Implementation Practices and Strategic Evaluation Practices**

**b. Dependent Variable: Performance**

**Source: Field Data (2020)**

The findings from Table 4.2 revealed that that F Calculated was 4.13 and F Critical was 2.21. Therefore,  $4.13 > 2.21$  indicates that the overall regression model positively impacts the study. The P-value was  $0.002 < 0.05$  an indication that the variables of the study significantly influenced NHIF’s performance in Nairobi City County, Kenya.

### **Regression Coefficients**

To investigate the effect of strategic management practices on performance of National Hospital Insurance Fund, the following coefficient were generated and presented in Table 4.3.

**Table 4.3 Regression Coefficients**

<b>Variables</b>	<b>Unstandardized Coefficients</b>	<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Beta</b>		
	<b>Std.</b>			

		<b>Error</b>				
<b>(Constant)</b>	.767	0.212		4.453	.002	
Strategic Planning Practices	0.601	0.0134	1.121	2.351	.001	
Strategic Formulation Practices	0.562	0.0351	1.128	2.247	.002	
Strategic Implementation Practices	0.537	0.0221	1.423	2.356	.003	
Strategic Evaluation Practices	0.579	0.0131	1.382	2.396	.002	

**Source: Field Data (2020)**

From the results, the equation becomes

$$Y = 0.767 + 0.601X_1 + 0.562X_2 + 0.537X_3 + 0.579X_4$$

Where Y = Performance of National Hospital Insurance Fund

X<sub>1</sub> = Strategic Planning Practices

X<sub>2</sub> = Strategic Formulation Practices

X<sub>3</sub> = Strategic Implementation Practices

X<sub>4</sub> = Strategic Evaluation Practices

The results of regression analysis in Table 4.3 demonstrated that strategic planning practices is significant at  $\beta=0.601$ ;  $t = 2.351$ ;  $p = .001$ . This implies that at 95% confidence level, strategic planning practices has a positive effect on performance of National Hospital Insurance Fund. A unit increase in strategic planning practices while holding all other factors constant, performance would be at 0.601.

The results of regression analysis in Table 4.3 shows that strategic formulation practices are significant at  $\beta=0.562$ ;  $t = 2.247$ ;  $p = .002$ . This indicates that at 95% level of confidence, strategic formulation practices have a positive effect on performance of National Hospital Insurance Fund. A unit increase in strategic formulation practices when holding all the variables constant, performance would be at 0.562.

Also, the findings in Table 4.3 revealed that strategic implementation practices are significant at  $\beta=0.537$ ;  $t=2.356$ ,  $p=.003$ . This suggests that at 95% level of confidence, strategic implementation practices have a positive effect on performance of National Hospital Insurance Fund. These results further demonstrate that a unit increase in strategic implementation practices while holding all the other variables constant, performance would be at 0.537.

Lastly, the findings in Table 4.3 indicated that strategic evaluation practices are statistically significant at  $\beta=0.579$ ;  $t=2.396$ ;  $p = .002$ . The t statistic suggests that at 95% level of

confidence, strategic evaluation practices has a positive effect on performance of National Hospital Insurance Fund. These results further show that a unit increase in strategic evaluation practices accounts for 0.579 increase in performance.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

The study concluded that strategic planning practices, strategic formulation practices, strategic implementation practices and strategic evaluation practices affect the performance of NHIF at Nairobi City County. The study concluded that NHIF management spearheads strategic management planning of the organization, staffs are constantly advised to improve quality of service offered. The study established that management strategy plan has well defined and measurable performance. Through strategic evaluation practices, the organization enhances suitability, viability, proficiency, effect and maintainability of advancement endeavours. The study concluded that NHIF have vision, mission and core values, employees are allowed to engage in formulation of NHIF strategic plan and NHIF develops strategies annually in strategy evaluation to improve quality of services offered. The study concluded that strategic planning practices of NHIF is aligned with its organization strategy.

### **Recommendations**

This study recommends that organizations and firms stakeholders should appreciate the importance of strategic planning practices not only in strategy management practices but also in general performance of their firms. They should encourage a strategic planning practices is results oriented, focused and discipline in order to succeed. The extent to which organization will be willing to engage the employee in building a good strategic planning practices will in turn have a positive correlation with strategy management practices.

NHIF ought to consistently guarantee that its strategic formulation practices are completely working with negligible hitches as this contributes emphatically towards the improvement of its exhibition regarding the development of client base, upheld hospitals and NHIF commitment.

Strategic evaluation practices are a process that requires both adequate financial and skilled human resources. Therefore, organizations that need to succeed in the strategic management practices should invest adequately both in terms of finance and human labour. Training of the staff should also be undertaken to ensure all employees understand where the organization is headed and what is required of them.

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