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Impact of Strategic Agility on Performance of Medical Employees in County Referral Hospitals in Central Region Economic Bloc, Kenya

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Abstract

The demand for high-quality health care from patients and other stakeholders has grown over time while hospitals have failed in delivery of quality healthcare services. The purpose of the study was to determine the influence of strategic agility on medical employees' performance in county referral hospitals in the central region economic bloc, Kenya. Explanatory research design was used to collect data from a target population of 10 referral hospitals in Tharaka Nithi, Embu, Nyeri, Meru, Kiambu, Murang'a, Nakuru, Nyandarua, Laikipia, and Kirinyaga. The respondents were 1,804 medical employees including medical officers, doctors, nurses, pharmacists, specialists, and therapists. A sample size of 327 medical staff was selected using a simple random method, who were issued with closed. Piloting was conducted at Machakos County referral hospital whereby 33 medical officers took part in answering the questionnaires. In relation to reliability, Cronbach's Alpha coefficient was used to determine the suitability of the research instruments. Data was analyzed using descriptive statistics such as frequencies and percentages, mean, and standard deviation. Inferential statistic like Pearson Correlation was determined and the results presented using tables and explanations. The study established that the management fostered a culture of innovation by rewarding employees and investing in promising opportunities, demonstrating sensitivity to change, and easily adapting current plans. Therefore, the conclusion was that there was a need for hospital leadership to prioritize strategic agility and support a culture of innovation. The study recommends that hospitals could prioritize strategic agility by fostering flexibility in decision-making and sharing goals with employees.

Keywords: *Strategic Agility, Performance, Medical Employees, County Referral Hospitals, Central Region Economic Bloc, Kenya*

1.0 Introduction

In today's complex world, employees' performance is becoming the most debated and researched variable in strategic management. Hameed and Waheed (2011) defined employee performance as a management contract that focuses on employee achievement of a set of targets. Campbell and Wiernik (2015) conceptualize the concept of employee performance as an employee's ability to generate value for the organization and accomplishment of organization's goals.

Employee performance is also defined as an accomplishment related to actions that can be evaluated. That is how well an employee accomplishes firm's goals and objectives. Previous

empirical studies have shown that optimal employee performance leads to overall company growth and has a positive impact on organizational profitability. Conversely, ineffective employee performance is often associated with lower profitability, lower production, and inefficiency (Okoye & Ezejiofor, 2013).

There has been a new conceptualization of employee performance that is intended to adapt to complex and unpredictable environments and bring together all the favorable actions that support the achievement of the organization's aims and objectives. This concept of employee performance includes task completion, adaptive performance, and proactive performance (López-Cabarcos, et al., 2022). All these performance elements culminate into strategic agility which refers to a leader's ability to come up with strategies that proactively respond to unforeseen or foreseen sudden and unexpected changes.

1.1 Problem Statement

The demand for high-quality health care from patients and other stakeholders has grown over time. These requirements now need top executives to have a thorough understanding of strategic leadership (Carter & Greer, 2013). However, most hospitals have failed in delivery of quality healthcare services because of a low level of knowledge and understanding of various strategic agility components that drives an organization in achieving its profitability targets.

In support, Kenya Medical Practitioners and Dentists Council (2019) did a preliminary investigation on performance of medical employees in county referral hospitals and observed that some of them in CEREB such as Kiambu, Nyeri, and Murang`a are faced with challenges of unreliable patients records, lack and/or poor maintenance of equipment and medical data mix-up. In addition, Kaguthi et al. (2020), reported that county referral hospitals have been faced with regular strikes by medical employees resulting in poor or no service delivery. Nevertheless, little has been done in regards to linking low performance to leadership strategic agility hence the study intended to fill this gap.

1.2 Purpose of the Study

To establish the influence of strategic agility on performance of medical employees in county referral hospitals in central region economic bloc, Kenya.

1.3 Research Hypothesis

H_0: There is no significant influence of strategic agility on medical employees' performance in county referral hospitals in central region economic bloc, Kenya.

2.0 Literature Review

2.1 Theoretical Review

The Dynamic Capability (DC) theory was founded by Teece & Shuen (1997) on three key tenets namely seizing, sensing, and reconfiguring are necessary for successful adaptation strategies (or transformation). In relation to DC theory, Cai et al. (2018) defined agility as the capability of a strategic leader to swiftly and effectively respond to and adjust to change for the betterment of the institutions. A leader with strategic agility is capable of not just reacting to and adapting to change quickly and correctly, but also the ability to bring about changes. Therefore, a leader's agility serves as a facilitator for organizational competitive advantage. When business executives improve workforce agility through suitable initiatives, they have the potential to reap numerous advantages. Quality enhancement, improved customer service, and accelerated learning curves are all benefits of a strategic leader's agility.

2.2 Empirical Review

Arokodare (2021) evaluated the effectiveness of strategic agility in oil and gas marketing enterprises in Lagos State, Nigeria. Cross-sectional design primary data were used to collect data from 515 retail station managers. Regression analysis results revealed that strategic insight, strategic foresight, information technology capability, human resources capability, and internal response orientation as proxies for strategic agility. These elements had a large and favorable impact on the effectiveness, satisfaction, and performance of the company. Al-Tameemi and Abd-Alghafur (2020) did a study on the link between strategic agility as a strategic leadership aspect and firm effectiveness. Data was analyzed using a regression model and the findings showed that high levels of organizational effectiveness were linked with strategic agility. Hasan (2019) aimed at finding out how strategic agility would help a business achieve its goals. Two primary hypotheses were developed to meet the research aims, and a random stratified sample of 56 staff members were chosen to participate in the study. The study discovered a link between organizational excellence and strategic agility. The study discovered a link between organizational excellence and strategic agility.

3.0 Methodology

The study adopted an explanatory research design to collect data from a target population of 10 referral hospitals in Tharaka Nithi, Embu, Nyeri, Meru, Kiambu, Murang'a, Nakuru, Nyandarua, Laikipia, and Kirinyaga. The respondents comprised of 1804 medical employees who included medical officers, doctors, nurses, pharmacists, specialists, and therapists. Further, Slovin's (2018) formula was used to generate a sample size of 327 medical staff in the ten referral hospitals selected using a simple random method. Additionally, there was the employment of both closed-ended and open-ended questionnaires to the sampled medical staff members to get quantitative data. Pilot study was conducted at Machakos county referral hospitals in South Eastern Kenya Economic Bloc (SEKEB) whereby 33 medical officers took part in answering the questionnaires. In relation to reliability, Cronbach's Alpha coefficient was used to determine the suitability of the research instruments. Data was analyzed using descriptive statistics. Additionally, inferential statistics were also determined and the results were presented using tables and explanations.

4.0 Results and Discussion

4.1 Reliability Test

The study measured the reliability of the questionnaires using Cronbach's Alpha coefficient as indicated in Table 1.

Table 1: Reliability Analysis

Variables	Cronbach's Alpha	N of Items
Employee performance	0.826	12
Strategic communication	0.933	10

Table 1 reveals that strategic communication had a Cronbach Alpha of 0.933 while that financial performance had 0.826. According to Hair et al. (2010), the data should only be trusted if the composite reliability values are greater than 0.7. All the constructs depicted that Cronbach's Alpha was greater than 0.7.

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4.2 Response Rate

The participants were presented in terms of medical employees from where the respondents were drawn. The response rate was analyzed as per the questionnaire as presented in Table 2.

Table 2: Response Rate

Responses	N	Percentage
Instruments distributed	327	
Instruments returned and usable	269	82.26%

From Table 2, out of a total of 327 distributed questionnaires to medical employees, 269 instruments were returned (82.26%). According to Mugenda & Mugenda (2003), response rates of 50% are acceptable, 60% are good, and 70% or more are very good. Therefore, a response rate of 82.3% was deemed sufficient to carry out the analysis and present the results.

4.3 Descriptive Statistics for Employee Performance

Employee performance was evaluated using a scale, where S.D-strongly disagreed, D-disagree, N-neutral, A-agree, and SA-strongly agree. A detailed statistical overview of this variable can be found in Table 3.

Table 3: Employee Performance

Statements N=269		SA	D	N	A	SA	Mean	Std. Dev
The hospital has high employee productivity	%	0.0	9.3	21.9	40.9	27.9	3.87	0.93
Accidents resulting from employees' negligence are minimal	%	1.5	9.7	11.5	39.4	37.9	4.03	1.01
Most medical employees have received awards for their work	%	5.2	11.5	16.7	36.4	30.1	3.75	1.16
There has been an increase in patient satisfaction with the quality of service offered.	%	0.7	4.1	13.4	55.0	26.8	4.03	0.80
Medical employees give personal attention to patients	%	1.1	4.1	16.4	47.2	31.2	4.03	0.86

According to Table 3, the data suggest that accidents resulting from employee negligence were minimal (mean = 4.03, SD = 1.01), and overall patient satisfaction with the quality of service provided had increased (mean = 4.03, SD = 0.80). This was because the medical staff offered patients personal attention (mean = 4.03, SD = 0.86). However, are relatively low feedback being that many employees had received awards (mean = 3.75, SD = 1.16). This indicated that there was still some extensive work to be done to stand out from the rest. Therefore, the work being done by the medical officers was otherwise on an average scale and hence there was room for improvement to be awarded in recognition of their work.

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4.4 Descriptive Statistics for Strategic Agility

Strategic agility was evaluated using a scale, where S.D-strongly disagreed, D-disagree, N-neutral, A-agree, and SA-strongly agree. A detailed statistical overview of this variable can be found in Table 4.

Table 4: Descriptive Statistics for Strategic Agility

Statements N=269		SD	D	N	A	SA	Mean	Std. Dev
The hospital management has a budget set aside to effectively implement new changes	%	1.9	6.3	16.7	43.1	32.0	3.97	0.95
Top executives display courage to invest in promising opportunities	%	1.9	5.2	13.0	41.6	38.3	4.09	0.94
Top management is sensitive to changing environment	%	0.0	4.8	13.0	45.4	36.8	4.14	0.82
If there is a change of circumstances, the hospital management can adjust its current plans effortlessly	%	3.0	2.2	17.8	46.1	30.9	4.00	0.92
Being a public hospital financial constraint hinders quick adaptations to changes.	%	2.2	5.9	13.8	40.9	37.2	4.05	0.97

Table 4 shows that the top management was sensitive to the changing environment (mean = 4.14, SD = 0.82). This suggested that hospital leadership was continuously monitoring external factors that had the potential to impact their organization and making appropriate adjustments as needed. In addition, if there was a change of circumstances, the hospital management could adjust its plans effortlessly (mean = 4.00, SD = 0.92). This ability to pivot was critical in ensuring that the hospital can remain agile and responsive in an ever-evolving healthcare environment.

The hospital's ability to respond quickly to new challenges was suggested to be partly influenced by the need for financial efficiency. The low standard deviation suggests a consistent level of strategic agility across the participating hospitals in Nigeria. Arokodare and Asikhia (2020) found that strategic insight, strategic foresight, information technology capability, human resources capability, and internal response orientation, which serve as indicators of strategic agility, significantly and positively affected firm performance, employee satisfaction, and overall effectiveness.

4.5 Pearson Correlation Analysis

The study conducted a Pearson Correlation analysis to test the hypothesis of the study on the relationship between strategic agility and performance as indicated in Table 5.

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Table 5: Pearson Correlation

			Strategic Agility	Employee Performance
Pearson	Strategic Agility	Pearson Correlation	1	. .718**
		Sig. (2-tailed)		.000
		N	269	269
	Employee Performance	Pearson Correlation	. 718**	1
		Sig. (2-tailed)	.000	
		N	269	269

As evidenced in Table 5, R = .718, p<0.001. Therefore, the study rejected the null hypothesis since there was strong positive relationship was observed between strategic agility and employee performance. In line with the findings, Halalmeh (2021) concluded that employee performance in Jordanian commercial banks was influenced by strategic agility aspects such as sensitivity of strategies, core competencies, clarification of vision, strategic goals, information technology choices, and shared responsibility.

4.6 Regression Coefficients for Strategic Agility and Employee Performance

The study had a model whereby Y= C+β1X1. Y was employee performance, C was constant, β1 was the coefficient, and X1 was strategic agility as explained in Table 6.

Table 6: Regression Coefficients for Strategic Agility and Employee Performance

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.798	0.157		5.087	0.000
Strategic agility	0.173	0.062	0.201	2.797	0.006

Dependent Variable: employee performance

Table 6 reveals that strategic agility a regression coefficient values (β=0.173, p<0.05). This means that a one-unit increase in strategic agility is associated with a 0.173-unit increase in employee performance, given that all other independent variables held constant. Similarly, the results conform with that of Cho et al., (2022) which established that businesses with a high degree of agility were found to be highly competitive, which points towards a positive impact on employee performance.

Summary of the Findings

The findings indicated that hospital leadership values strategic agility, with an emphasis on flexibility in decision-making and sharing goals with employees. They promoted autonomy among employees and can quickly adjust structures to seize new opportunities. The Management demonstrated sensitivity to change and could adapt plans with ease. Financial constraints contributed to reduced quick adaptations in public hospitals.

Furthermore, the regression analysis in this study revealed that strategic agility positively and significantly influenced the performance of medical employees in county referral hospitals within the Central Region Economic Bloc of Kenya. The strength of this impact was indicated by a beta coefficient of 0.173, and its statistical significance was confirmed with a p-value of 0.000 which was less than 0.05.

5.0 Conclusions

The study concluded that the management fostered a culture of innovation by rewarding employees and investing in promising opportunities, demonstrating sensitivity to change, and easily adapting current plans. These results emphasized the need for hospital leadership to prioritize strategic agility and support a culture of innovation. This improved medical employees' performance, despite financial constraints that hindered quick adaptations to changes in public hospitals.

6.0 Recommendations

The study recommends that hospitals could prioritize strategic agility by fostering flexibility in decision-making, promoting autonomy, and sharing goals with employees. In addition, they should encourage a culture of innovation by rewarding employees' creative ideas and investing in promising opportunities. By emphasizing strategic agility and supporting innovative worker behaviour, hospital management could effectively enhance the performance of medical employees, even in the face of financial constraints that necessitate quick adaptations in public hospitals. This focus will ultimately improve healthcare service delivery.

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