

INFLUENCE OF INNOVATION STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN ISIOLO COUNTY REFERRAL HOSPITAL, KENYA

***Boru Guyo¹, Erastus Thoronjo PhD²**

bgtuke@gmail.com, ethoronjo@mku.ac.ke*

+254 723 439277*, +254722330660

School of Business and Economics,

Mount Kenya University

General Kago Road

P.O Box 342-01000, Thika

*Corresponding Author: -

bgtuke@gmail.com

Abstract: -

Innovation is one of the top priorities of management in enhancing sustainability and promoting superior performance. The innovation strategies of a given institution acquired over a given period influences significantly its performance. The purpose of the study was on the influence of innovation strategies on organizational performance in Isiolo County Referral Hospital, Kenya. The study was guided by this objective; to establish the influence of process innovation strategy on organizational performance. The theory adopted for this study was Open innovation theory. The study adapted descriptive research design. The target population was 200 employees namely; health management committee, supply chain officers, departmental supervisors, departmental heads, ICT officers and medical officers. Out of target population of 200, sample size of 80 was selected using stratified random sampling. Open and Closed ended questionnaire was used as tools for data collection. The study found out that there was a significant relationship between process innovation strategies and organizational performance. The result of chi square test established that there was a very large effect with a significance of 0.001 which makes it statistically significant. This therefore implied that adoption of process of innovation influenced organizational performance. The study therefore conclude innovation strategies greatly influence organizational performance.

Keywords: - *Innovation Strategies, Organizational Performance.*

1.1 INTRODUCTION

Globally, Innovation strategies performs most of the roles in delivery and performance of organizations. It ensures effective distributions; it includes most of process relating to good and services. The resources involved are utilized through adaption of innovative strategies in more efficient and ethical way for sustainability of development of economy and living standard of its people. Innovation strategies employ effect on performance, and measuring service delivery. Moreover, the implementation and result mostly affected by politics, harsh economic, technology, law for those innovation (WHO, 2007)

In regional perspective, Ghana deals their service delivery as they directly involve in brand new and most sophisticated health care delivery facilities. And this it involves rural health centers and community health workers. They also invest in the invention of new innovation to encourage the introduction of new strategies in the non-governmental sector (Deber, 2004). Instigating policies and strategies along these lines can promote hospitals and provide reliable services including good relationships between the employees and top management level personnel. This shows better and effective outcomes in access, quality and efficiency of services within the organization through adaption of better innovative strategies (Preker 2003). The World Bank and economic institution are assisting countries that were developing to change their innovative strategies. Developing countries such as Afghanistan, Bangladesh, Ghana, Rwanda and Sierra Leone, also Uganda executed the innovative strategies from 2001 following World bank direction. In essence the innovative strategies will be influencing GDP.

There is amount of expansions in hospitals in Kenya that generated challenge for health administrators, thus making hospitals to review their strategies, organization and their methods, as well as provision of health service. According to the health ministry survey which was conducted in Kenya, 61 percent of health managers are not ready in managerial and leadership responsibility and this will create negative impact on delivery of services (MOH Report 2011). Kenyan Health's service provided through the systems of above 4,700 health center accounted at least 51% of facilities. Kenyan health sectors comprise of health facilities including National referral hospitals, County health centers, and dispensaries (MoH, 2011). It is noted that the services in health facilities

are majorly devolved from National to the County. The commitment of Ministry of Health in Kenya (MOH) in addressing the most challenges faced by the sector, led to intentional determinations of decentralization which are intended to support the most effective execution of activities at County levels, fostering closer management and relationships amid the line agencies, non-governmental organizations, all health experts and other shareholders.

Local County Health Management Boards (LCHMBs) and County Health Management Teams (CHMTs) progressively responsible for general management of facilities that are found under authority through grant and policies. MOH has committed itself to decentralization through several health sector strategic plans by provision of augmented judgment, resource provision, and administration of health care to the County levels.

1.2 Statement of the Problem

From the foregoing back ground literature, (Halchin 2012), hospitals are used for human health management. Hospitals are well managed with enough staff and equipment to deliver diagnostic and therapeutic services in mostly field of curative medical care with regard to needs of patients. Service delivery are key issues public hospitals mostly need, therefore there is need for innovation in medical field for health service. The administration of healthcare facility is very complex in nature to manage it therefore needs a systematic knowledge of hospital setup, a typical condition that mostly usual in hospital administration, (Goyal, 2006).

According to WHO Report 2011, Health systems globally are facing bottlenecks of growing request due to high problem of chronic disease and scarce resources, hence a demanding necessity for a vital consideration of health services and systems are planned and funded. Knowledge in developing countries describes increase in services through innovation, nevertheless essentials to be created to make sure its instrumental to entire societal importance and development. The developments elaborated in leading innovation varies from adoption, implementation, sustaining, dissemination and scale up of innovations. Locally, there is still a myriad of challenges on innovation strategies in health sector. And there has been disclosure of information, lack of transparency. Innovation strategies have economic and political implications to the country.

Many counties have not embraced innovation strategies for their organizational performance, this study has been motivated to analyze the innovative measure that county government can adopt and more specifically to Isiolo county referral hospital. The biggest hindrance to innovation strategy have been found to lie in lack of practicing better innovation strategies. Thus, untrained health managers whose lack of knowledge on such innovation strategy has resulted in mismanaging health facilities unconsciously, leading to huge financial loses as well as loss of the lives of people (MOH 2011). There is need for proper innovation strategies like process innovation strategies mandated to reserve investment to persist in comfortable condition to endure its expectancy and guarantee safety in practice also add to improve organizational performance. This study will be therefore motivated to determine influence of innovation strategies on organizational performance.

1.3 Objective of the Study

The objective of this study was to establish the influence of process innovation strategy on organizational performance at Isiolo County Referral Hospital.

2.2 Theoretical Review

2.2.1 Open Innovation Theory

This theory introduced by Henry Chesbrough. It assumes that the organization should use external and internal ideas to its way to market as the organization expand technology. (Chesbrough, H, 2006). Open innovation tips the innovative work to an open system. Open Innovation theory state that use of external and internal idea to increment internal advancement. Usage external path towards markets for internal knowledge. In today’s world many things are done by machines and new technology in industry such as process innovation and product innovation is catered under such advance technology. Manufacturing of new goods and services are produced quickly in large amounts. New developments of ICT are putting retailers and consumers and suppliers closer thus providing them opportunity to produce variety with fewer inventories.

Currently the Innovation pattern has shifted from closed pattern of advancement to open innovation pattern (Chesbrough, H. 2006). The closed innovation pattern stands where by the practice leads to innovation remains organized and entirely the Intelligent things will be created within then reserved in organization till different production exist in market. In open innovation theory the organizations use external sources of technologies and ideas for enhancing internal innovation process and the company to commercialize the internal innovation through distribution channel by external ways.

2.2.2 Literature Review

2.2.3 Process Innovation Strategy

Process innovations a development driven by production of internal goals. The process innovations strategy improves the efficiency on organization operations. Process innovation is advanced methods or new internal method to enhance organization performance. It is an execution increased products or delivery way which alter tools, techniques and software. Process innovation strategy brings together method and improvements in assisting activities like calculating, accounting and maintaining. Process innovations is implementing delivery and production methods that is improved. Organizations can develop processes through the assistance of other organization (Polder et al. 2010). Processes innovation strategy by gaining scale of economy it will not be driven to economic effect since it alters delivering services, production, distributing and manufacture (O’Sullivan & Dooley, 2009). Process innovation bring increase in aspects like delivery strategies, technologies that will reduce cost. The incremental in process and products will form technology innovations that increase organization competition which increase organization value or productivity (Oke et al., 2013).

2.2.4 Process Innovation Strategy and Organizational Performance

The growths in organization are more related to process innovations. process innovations impact organizational performance. Raja and Wei (2014) stated process innovations with links in influencing customer and innovation result. Process innovation strategy are most positively related with growing of organization thus organizational performances are connected to process innovations. Most important comparison among extent of organizational and process innovation on organizational performance. Innovation strategies influencing organizational performances in telecommunication industry, Kenya and reveals process innovations have influence towards organizational performance.

2.2.5 Conceptual Framework.

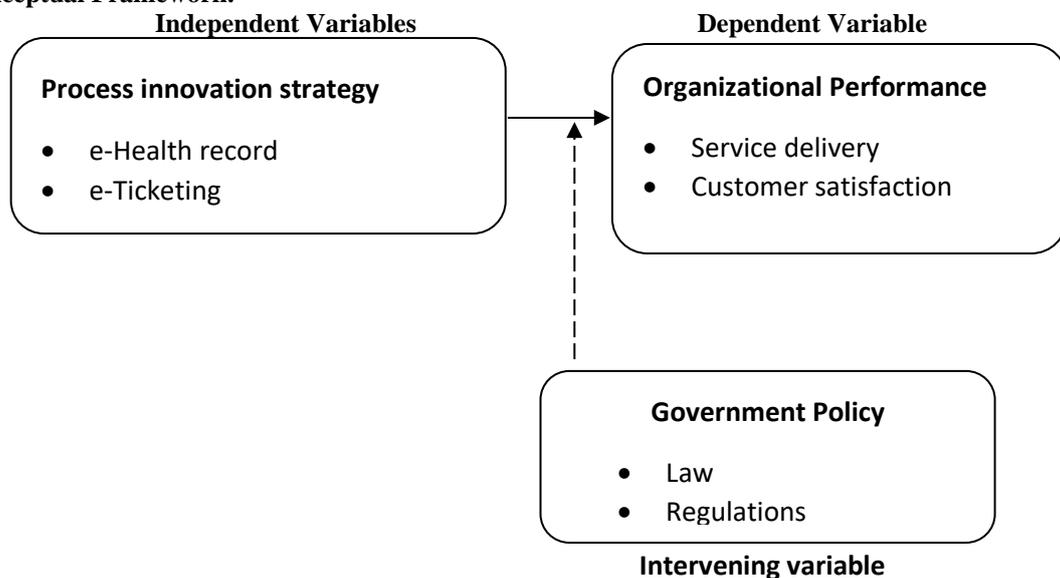


Figure 1: Conceptual Framework
Source: Researcher 2019

3.0 Research Methodology and Design

Descriptive research design was adopted by this study. Descriptive research, describes an accurate profile of individuals, event and conditions. These designs offer researchers profile to describe important features that are of concern from specific organization.

3.1 Target Population

In accordance to (Mugenda and Mugenda 2013) posits that population is all collection of individuals or item. The target population consisted of Isiolo County Referral Hospital employees and management. The target population was 200 employees within Hospital.

3.2 Sampling procedures, techniques and Sample Size

In sample frame of between ten to forty percentages is appropriate if sample is more than thirty percent (Mugenda and Mugenda 2013). 40% of population in each sampling frame will be selected in using proportionate sampling frame techniques. Simple random sampling was used to collect data. The simple random sampling technique, minimize mistake and errors in population as the sample was selected for a study from large population.

3.3 Data Collection Instrument and Analysis

The study utilized primary data collected using open and closed ended questionnaire where 5 point Likert scale applied. The questionnaire used was suitable for easy and quick response within the shorter period. The research instrument was subjected to pilot test for checking reliability and validity of the study. Pilot test conducted on ten employees. The participants in pilot study was incorporated in final research study to ensure that research findings were not comprised. Research instrument was measured to be reliable as indicated by (Orodho 2012). Reliability analysis was conducted by using Cronbach’s Alpha in determining when data collected on respective variable had significant relationship through influence of innovative strategies on organizational performance. Reliability threshold acceptance was alpha coefficient equal to 0.7 or greater than 0.7 at 95% level of significance. Data collected was analyzed by use of descriptive statistics, which included: frequency, percentages mean scores and standard deviation. Which was computed using SPSS. The results will be presented in tables, graphs, charts and percentages.

3.4 Ethical considerations

Ethics denotes the norm that governs conducts and will have much effect on human welfare. It involves making decision about the right and wrong behavior. The researcher followed ethical practices also was sensitive while conducting research. Researcher pursued approval to collect data from university equally a permit from NACOSTI was acquired then consent sought from respondents and upheld confidentiality and discussed contents of questionnaires.

4.4 Research Findings and Discussions

4.1 Process Innovation Strategy on Organizational Performance

The research study examined the extent to which Process Innovation Strategy influences Organizational Performance. Using Likert scale of five points the participants were asked to indicate their level of agreements. The findings were elaborated below:

Table 1: Response Regarding Process Innovation Strategy on Organizational Performance:

Mean	Std. Deviation
Create then maintain patient related medical problem list	4.3250 .80779
Following the result of a particular test	4.2750 .94098
e-health ordering treatment directly	4.4000 .80505
Produce data reviews for specific patient	4.1625 .90629
Generating health statistics	4.0875 .79863
Enter daily notes	4.1750 .82332
e-ticketing improve level of service	4.1500 .84344
Produce patient name and data on the ticket	4.1000 .77296
Enhance efficiency in terms of service delivery	4.0125 .78746
Improve links with patients	4.1750 .75933
Improve necessity to remain competitive	4.1000 .78917
Enhance more accountability	4.1375 .83808

Source: Research Data 2022

From the survey research findings participants strongly agreed that that e-health systems were used in ordering treatment directly and was revealed by an average overall means score of 4.4000 and an average overall S.D of .80505. Other participants agreed that hospital was able to create then maintain patient related medical problem list, this was shown by

an average mean score of 4.3250 and an average overall SD of .80779. According to this research finding other participants of this research reported that there is also concern on e-ticketing system enhanced efficiency in terms of service delivery, that was robustly agreed as was revealed by an average overall means score of 4.0125 and an average overall of SD .78746. This shows that the participants had a relative mean across all the questions showing they had a moderate view on the process innovation strategy at the hospital.

5.1 Summary of the findings

5.2 Process Innovation Strategy on Organizational Performance

As per the findings of the research study on process innovation strategy and organizational performance, this research found that e-health systems were used in ordering treatment directly this was strongly agreed with means score of 4.4000. Consequently, this study found that the hospital mostly prefers follow up on the results of specific tests, revealed by means score of 4.2750, the majority stated that they did so extensively; Based on the findings the majority agreed the hospital was able to create then maintain patient related medical problem list with a means score of 4.3250. According to the findings of the research study that e-Ticketing system was utilized to increase accountability this was strongly agreed with means score of 4.1375. This research found that using e-Ticketing system improves links with patients is mostly preferred with means score of 4.1750. This study is therefore, concurring with Hilman & Kaliappen (2015) on the linkage between innovation strategies (process innovation and service innovation) and organizational performance.

5.3 Conclusion

The research study established a significant relationship between process innovation strategies and organizational performance hence the hospital management needs to focus on e-Health services used in generating health statistics and e-ticketing system used in enhancing efficiency in terms of service delivery since they reveal a great impact on organizational performance.

The research study further concludes that majority of the participants strongly agreed regarding use of e-health systems in ordering treatment directly and hospital was able to create then maintain patient related medical problem list, hence concern is required since it is most preferred and it has strong influence on organizational performance, it is of much essence for organization to enhance various measures.

5.4 Suggestion for further studies

The study was limited to influence of innovation strategies on organizational performance in Isiolo County Referral Hospital, Kenya. Further research is required by involving more innovation strategies. Expanding the same study to other organizations in different industries is recommended to identify only peculiarities associated with them.

REFERENCES

- [1] Abdullah, Haim Hilman and Kaleppen, Narenthen (2015) Innovation Strategies and Performance: World Journal of Entrepreneurship and Sustainable Development P.P.48-63.
- [2] Callender, G., & Mathews, D. (2000). Government Purchasing: An Evolving Profession? *Journal of Budgeting, Accounting & Financial Management*
- [3] Defee C., Williams B., Randall W., & Thomas R., (2010). *An inventory of Theory in Logistics and supply chain management research*. The International Journal of Logic Management 21 (3) 404-489
- [4] Ministry of Health (2006). Reversing the trends, the second national health sector strategic plan of Kenya: *Annual Operational Plan 2006/07*. Nairobi, Kenya
- [5] MOH. (2011). *National e-Health strategy 2011-2017*. Nairobi: Ministry of Medical services
- [6] Mugenda, M. & Mugenda, A. (2013). Research Method, Quantitative & Qualitative Approaches.
- [7] O'Sullivan, D. & Dooley, L. (2009) *Applying Innovation*. London. UK: Sage Publication
- [8] Oke, A., Prajogo, D. I., & Jayaram, J. (2013). Strengthening the innovation chain: The role of internal innovation climate and strategic relationships with supply chain partners. *Journal of Supply Chain Management*, 49 (4), 43-58
- [9] Orodho, J. (2012). Techniques for Writing Research Proposals and Reports in Education and Social Science. Kanzja HP Enterprises, Nairobi Kenya
- [10] Porter, M. E. (2010). *Competitive Advantage: Creating and sustaining Superior Performance*, Free Press, New York,
- [11] Porter, M. E. (2010). *Competitive Advantage: Creating and sustaining Superior Performance*, Free Press, New York,
- [12] Raja, M. W. & Wei, S. (2014). Relationship between Innovation, Quality Practices and Firm Performance: A Study of Service Sector Firms in Pakistan, *Journal of Management Research*, 6 (4), 124-140 *Theory in Logistics and supply chain management research*. The International Journal of Logic Management 21 (3) 404-489
- [13] W Goyal, r. C. (2006). *Hospital Administration and Human Resource Management*. 4th Ed. New Delhi: prentice-hall.
- [14] WHO Report.2011 *mHealth-New horizons for health through mobile technologies*, WHO