INFLUENCE OF MANAGERIAL COMPETENCE AND RESOURCE MOBILIZATION ON STRATEGY IMPLEMENTATION IN THE INSURANCE COMPANIES IN KENYA

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ABSTRACT

The fundamental importance of strategic management is that the world keeps changing. Strategy implementation is a series of actions aimed at putting a selected strategy at work by planning how the chosen strategy can be put into effect and managing the changes required. Organizations have come up with credible strategies which have failed to see the light of day due to poor implementation. For successful implementation, an organization's various resources, systems, structures and other variables must be expended. Many studies have been carried out on various issues on strategic management but none has focused on the strategy implementation in a locally incorporated insurance company. This paper evaluated how competitive strategy implementation affects the performance of insurance industry in Kenya. This was achieved through a thorough review of theories on strategy implementation and then studies related to strategy implementation. The review concluded that the management competency affect the type of decisions, the rate at which strategies are implemented and the manner in which they are implemented. Also mobilization of the resources is a key a factor affecting implementation of strategies. This is because the manner in which resources such as finances, personnel and time are managed and mobilised greatly affects the success of strategies adopted.

Key Words: *Managerial competence, resource mobilization, strategy implementation, insurance firms*

Introduction

The objective of strategy is to bring about advantageous conditions within which action will occur. The concept of strategy has developed as an important aspect of managing as the dynamics and complexity of the world and business environment have increased. The term strategy is used to explain both the processes for example organizational restructuring and the outcomes of chosen long-term directions. It can be either a conscious, planned activity or a series of events, which lead to a desirable objective. A strategy involves an evaluation of the likely impacts of both the external and internal organizational environment, the long-term goals of the organization (Mintzberg *et al.*, 1998).

From the perspective of classical strategic management theory, strategy is considered a deliberate planning process, initiated by top management, based on an elaborate industry analysis and aimed at designing a cohesive grand strategy for the corporation. Mintzberg *et al.* (1998) point out that a firm's strategic planning process involves explicit systematic procedures used to gain the involvement and commitment of those principal stakeholders affected by the plan. According to Barney (2001) rather than adopting a single style of strategy development, organizations mix six elements of planning, incremental, cultural, political, vision and enforced choice in different combinations.

The basic strategic planning model suggests that a company's strategies are as a result of a plan hence the planning process itself is rational, highly structured and that the process itself is orchestrated by top management (Hickson *et al.,* 2003). The organizations engage in strategic planning practices so as to clearly define their goals and objectives. The strategic planning model assesses both the internal and external environments to formulate strategy, implement the strategy, and evaluate the success of strategy. Strategic planning incorporates planning, incremental, cultural, political and visionary views. Moreover, strategic planning should involve objective setting, analysis of environmental trends and resource capabilities, evaluation of different options and careful planning and implementation of strategies (Johnson *et al.*, 2006). Strategic plans include elements that describe an organization's present state, aspirations, and intentions for the future, and approach for going forward. A well-documented strategic plan is critically important for organizing thinking and communicating thoughts.

Strategies and strategy implementation by insurance firms in Kenya

In Kenya, Health financing systems have three inter-related functions, which are central to achieving universal coverage (UC). They include revenue collection, pooling and purchasing (Kutzin, 2001). Revenue collection refers to the process by which health systems receive money from households and organizations. Pooling refers to the accumulation and management of revenues to ensure that the risk of paying for health care is borne by all the members of the pool and not by each contributor individually. It embodies the insurance function within a health system. Pooling can be explicit or implicit: explicit, when people knowingly subscribe to a health insurance scheme; and implicit, where contributions are through tax revenue (WHO, 2005). Purchasing is the process by which pooled funds are paid to providers in order to deliver a set of health interventions. It involves the transfer of pooled resources to service providers on behalf of the population for which the funds are pooled (Kutzin, 2001). Purchasing can be strategic or passive (WHO, 2005): strategic purchasing involves a continuous search for the best ways to maximize health systems performance by deciding which interventions should be purchased, while passive purchasing implies following a pre-determined budget or simply paying bills when presented. Strategic purchasing is best for universal coverage. In most cases, pooling and purchasing are implemented by the same organisation. Depending on how they are designed, payment mechanisms can influence provider behaviour (Kutzin, 2001) they can act as incentives/disincentives to providers. Achieving UC will depend on the extent to which countries combine these functions to ensure there is equitable and efficient revenue generation, the extent to which financing systems encourage cross-subsidization and the degree in which health systems provide or purchase effective health services for the population (WHO, 2005).

Research Objectives

1. To analyse the effect of management competence on strategy implementation in insurance companies in Kenya.
2. To establish the effects of resource strength on strategy implementation in insurance companies in Kenya

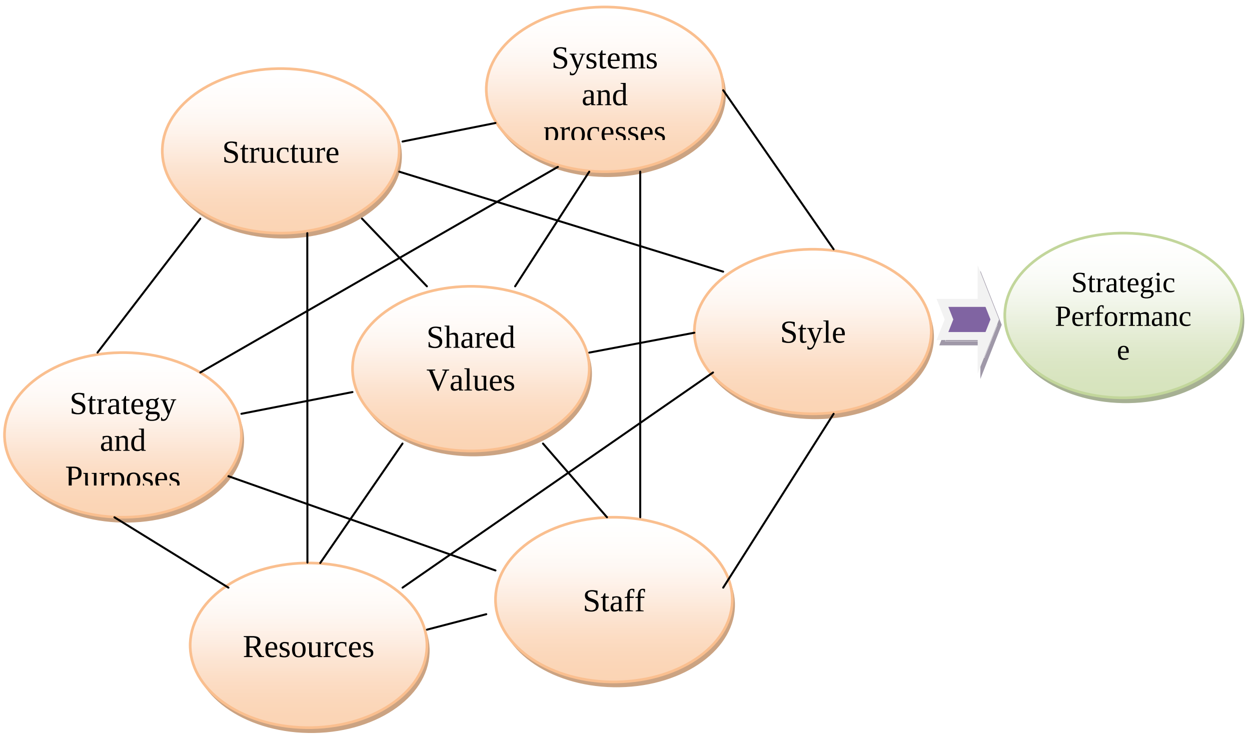
Theoretical Background and Informing Literature Review

Theoretical framework

There are many studies that are that have focused their attention on explaining strategy implementation and its importance. The aspects of strategic implementation and related ideologies are discussed by various authors and scholars under different contexts and places. The varying opinions and altitudes have been discussed under different theories as presented in this section.

The Higgins's Eight (8) S Model

This model was put forward by Higgins is of the views that the executives must align the cross functional organizational factors; structure, system and processes, leadership style, staff, resources and shared values with the new strategy so that the strategy opted can succeed (Higgins, 2005). All these factors tinted above in the Eight S model are vital for successful strategy execution. Higgins (2005) says that the key here is that all the factors falling in the Contextual Seven S's must be aligned to achieve best possible strategic performance. Importantly organization's arrows should be pointing in the same direction that is they should be aligned with one another. The other six contextual S's should point in the similar direction as of the strategy (Higgins, 2005). For better understanding of the model it is essential to know and understand as what the Eight S's offer. This model constitutes the theoretical framework of the study shown in the figure 2.1 below:



Source: Higgins (2005)

Strategy and Purpose: The element of 'strategy' refers to the "actions that a company plans in response to or in anticipation of changes in its external environment, its customers, and its competitors" (Waterman *et al*., 1980). According to Higgins (2005), strategies are formulated to achieve an organization's purpose. Change in strategic purpose leads to change in strategy. Strategic purpose includes strategic intent, vision, focus, mission, goals and strategic objectives. There are four types of strategies named by Higgins as; corporate, business, functional, and process strategies. All the four differs in the organizational level of application for each of the strategies. A strategy that promotes success in a firm after implementation has to be a good strategy and hence it is important to ensure that the strategy is good enough and fits the purpose behind its formulation before it is implemented.

Structure: De Wit & Meyer (2003) define organisational structure as the clustering of tasks and people into smaller groups, i.e. dividing the organisations into smaller sections (departments, divisions). Higgins (2005) avows that organizational structure consists of five parts; jobs, the authority to do those jobs, the grouping of jobs in a logical fashion, the mangers span of control and mechanism of coordination. Hence when executing a business strategy, decisions are to be made regarding how an organization is structured. This incriminates decisions in terms of jobs to be completed, authority to do the jobs, grouping of jobs into departments and divisions, the span of manager's control and the mechanisms of control of such a structure. A good business structure relies heavily on a competent management and good human resources (Higgins, 2005).

Systems and Processes: The category 'systems' refers to all the procedures, formal and in-formal, that help the organisation to function on a daily basis (Waterman *et al.,* 1980). Higgins (2005) has described systems and processes by stating that systems and process enable an organization to execute daily activities. Hence, this element is about the formal and informal procedures used in an organization to manage information systems, planning systems, budgeting and resource allocation systems, quality control systems and reward systems. These are broadly classified as the innovative and entrepreneurial qualities of the firm which according to Higgins impacts on the implementation process and the successful implementation.

Style: Style refers to leadership/ management mode exhibited by the leaders/managers when relating to subordinates and other employees. According to Hitt, Ireland, & Hoskisson (2009), strategic leadership is defined as "the leader's ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary". Abridging it further, Management style is about the manner in which management treats their colleagues and other employees and what and how they focus their attention on. This difference brings out the management competencies of the management team in an organization.

Staff: After defining company's strategic purpose, management must settle, as how many employees are needed and what are the required backgrounds and skills essential to achieve the strategic purpose. This factor also covers aspects such as staff training, career management and promotion of employees (Higgins, 2005).

Resources: According to Waterman *et al*. (1980) the company's crucial attributes and/or capabilities are the so called 'skills'. Higgins (2005) affirms that management must ensure that an organization has access to sufficient resources toward successful strategy execution. Resources include people, money and technology and other management systems. Resource strength therefore has some impact in the implementation process of strategies in a firm.

Shared Values: Shared values on the whole relates to corporate/organizational culture. Therefore, shared values are the values shared by the members of the organization making it different and diverse from the other organizations. This is because a company's culture acts as a kind of organisational glue, thus affecting the degree to which a strategy is successfully implemented (Heide *et al,* 2002).

Strategic performance: Higgins (2005) states that strategic performance is a derivative of the other seven 'S's. Strategic performance is possessed by an organization as a total, or for profit-based parts of the whole. Performance can be measured at any level. Financial performance measurements are critical barometers of strategic performance. However an expanded balanced scorecard approach is best.

From the above mentioned factors it is evident that almost everything an organization carries out is roofed within the Eight S's. Indubitably by applying and using this model during the formulation of strategies, the leaders as well as the mangers involved can foresee changes that are to be made within the organization in order to make the strategy workable (Higgins, 2005). Higgins pinpoint that importantly the model serves as a road map for implementation during the execution stage, helps uncovering the causes of failure during implementation. This study will adopt this model as its theoretical framework.

Noble's Strategic Implementation Model (minimalist model)

Noble (1999b) in turn speaks of barriers to effective implementation. The physical distances hindering the necessary, cross-functional collaboration in the organization form physical barriers. Turf barriers are the other side of this coin, representing the differing interests of the distinct units. Interpretive barriers are formed by the different ways different units interpret and comprehend the strategy. Communication barriers need no explanation. Personality barriers reflect the personal characteristics of key personnel, as well as between different groups in the organization's hierarchy. Another important barrier is that of varied goals amidst the organization and its units. Noble's perspective, therefore, is that of the organization as consisting of different units and functional groups with different characteristics. Noble's model communicates a willingness to overcome the barriers between the content and process paradigms. It combines the strict demarcation between implementation and formulation with concepts from process orientated literature.

Mantere (2000) called it the minimalist model and gave two criticisms to Noble's rather linear view on strategy implementation. The first was the actual linearity, which is not a very realistic view even in the interpretation of a single person. Aberg's three levels of interpretation provided the necessary depth to Noble's model. Aberg's notions help me to augment the minimal model of strategy implementation. The second concern was about the difficulty of determining who the communicator is and who the receiver is in various stages of strategy implementation. Aberg gives a partial answer to this social complexity by speaking of a web in which different levels of interpretation assigns meanings to things and events (Aberg 2000, 54), which is rather far from being clear. It does not answer questions such as what are the roles of managerial and operational processes in such a network. Aberg's levels of interpretation provide some sense for the interpretation process but fail to fully address the complexity of the interrelations between interpretation, adoption and enactment.

There seem to be, however, some interconnections between interpretation and adoption. If one thinks about the three levels of interpretation presented by Aberg, one notes that the factors essential to adoption would seem to be essential to the connotative and symbolic levels of interpretation as well. Personal values play a role in the connotative layer of interpretation.

Organizational values on the other hand play a role in the symbolic, interpersonal layer of interpretation.

It might be prudent, therefore not to speak of interpretation and acceptance as separate processes. It would seem that the structural and systemic dimensions can act as strong strategic messages themselves in many cases, which mean that if the structural and systemic properties are not matched with communication practices (directly affecting the life worlds of the organizational members), one is faced with conflicts in the cultural dimension as well. To put it bluntly, if the structures and systems do not support the change effort, it seems as if the organization (or the management) is saying one thing and doing another. Therefore, when designing systems and changing structures to support the strategy, one possible viewpoint would be to endeavour packaging desired strategic message in the structures and systems. This could also be viewed as creating shared meaning. It is, however, important not to confuse creating shared meaning with the programming of the employees.

Strategy Implementation

Researchers have realized the need to develop a sound strategy and then reorganize the structure, systems, leadership behaviour, human resource policies, culture, values, and management procedures of the company in order to ensure successful strategy implementation, (Schaap, 2006). A problem does not so much seem to exist in the development or formulation of strategies (Dannenmaier & Dannenmaier, 2008) but is realized in its execution. Companies have the awareness of the importance of proper strategy development and they can refer to lots of appropriate methodologies, such as Gaelweiler's concept on strategic and operative corporate management, Hamel's and Prahalad's model on future-oriented strategy development, Porter's Five Forces and generic strategy types or Puempin's Strategic Success Positions or SEPs (Eschenbach *et al,* 2003). But the challenge in strategic management lies in the effective implementation of the developed strategies after their successful formulation, (Krassnig *et al,* 2009). Many companies, even though they had dedicated considerable resources to the development of their business strategies, ends up not satisfied with the transformation of the developed strategic framework and guidelines into business reality due to the challenging intricacies of strategy implementation (Dannenmaier &Dannenmaier, 2008).

Particularly, strategy implementation includes designing the organization's structure, allocating resources, developing information and decision process, and managing human resources, including such areas as the reward system, approaches to leadership, and staffing (Barnat, 2005). Successful strategic planning implementation requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organization. Executives must lead, support, follow-up, and live the results of the strategic planning implementation process or else the strategic planning implementation process will fail. Without the full commitment of the senior executives in the organization, there is no need to start strategic planning. Participants will feel fooled and misled. A vision statement and a mission statement, along with goals of the current year, filed, unimplemented in a cabinet or computer is a serious source of negativity and poor employee morale (Kodali & Chandra, 2001).

In a study about effective leadership behaviour in which 38 organizations were studied, Howell (2005, p. 108) stated that "Effective champions are distinguished by three behaviours that includes (a) conveying confidence and enthusiasm about the innovation, (b) enlisting the support and involvement of key stakeholders, and (c) persisting in the face of adversity." Although the growing need for change in organizations is widely acknowledged by researchers, it is alleged that up to 70% of change initiatives fail (Higgs & Rowland, 2005). But, why do change efforts not succeed? Execution cannot succeed unless the strategy itself is designed to be executable. Apart from wasting significant amounts of time and money, they result in lower employee morale, a diminished trust and faith in senior-level leadership, as well as create an even more rigid organization since a company that has failed to change will encounter more employee scepticism in its next attempt (Heracleous, 2000). Research suggests that senior-level leaders are more than willing to communicate, but they often approach the task on a tactical rather than a strategic level (Clampitt *et al,* 2002). In addition, these same people are trained to plan but not execute plans (Hrebiniak, 2005). While the reader may perceive strategy implementation to be complex, sufficient allocation of resources together with through research of the market place will boost chances of success. CEOs must endeavour to: (a) Identify the market factors that bear most upon a strategy, (b) Set up contingencies for known situations that are susceptible to unknown changes, and (c) Have various measures in place to cope with the real possibility of encountering unexpected developments in the external environment.

Although formulating a consistent strategy is a difficult task for any management team, making that strategy work by implementing it throughout the organization has always been a challenge across the industry (Hansson *et al.,* 2003; Hrebiniak, 2006). Ability to implement strategy is the deciding factor between success and failure of a strategy in any company. Implementation manifests the strategic intent of a company through various tactical and competitive actions to achieve the desired results, which otherwise may remain as distant dreams. Great strategies are not discovered over a couple of strategic sessions. In fact great strategies evolve over time as a result of rigorous monitoring of progress towards strategic goals, when emerging realities are discussed thread bare, the learning of which helps in revising the strategies. In effect, it can be said that meticulous implementation has strategy development embedded in it. Similarly companies need to incorporate strategy implementation in the planning phase itself. This can be done by involving persons key to execution during planning phase itself (Hansson *et al.,* 2003). It will not only help in gaining insights in to practical aspects of strategy at an early stage, but it also helps politically to get their whole hearted commitment to strategy implementation. Planning is no doubt important, but making the plan work is a bigger challenge which deals with organizational politics, culture and sometimes managing change. All of which require single minded pursuit from top and unquestionable commitment from managers. Organizational politics especially when strategy execution contradicts the existing power structure in the company may hamper proper allotment of resources, which will adversely impact strategy deployment.

Apart from inter-twining strategy planning and implementation through incorporating execution into planning and evolving strategy through rigorous follow up and corrections, there are other factors that may bridge the gap between great strategies and effective execution. First of these factors is communication (Hartmann, 2002). Many a times we find that managers who are supposed to be delivering performance to meet the strategic goals of the company do not have a clear idea of what the strategy is all about. They do not realize what needs to be done to fulfil the strategic plan. They are unaware of their role in the strategic game plan. They cannot describe company’s strategy in one simple sentence, which means that the strategy is not understood by the people responsible for acting on it. Great strategic plans or intents are represented by a catchy tag line, which conveys the company’s intentions to all concerned, even to marketplace. Lack of proper understanding of what is important for the strategy to be delivered, may result in having your priorities wrong – and the projected levels of returns will never be a reality (George, 2002). Strategy implementation failures may be as a result of unfeasibility of the strategy, weak management, unworthiness or a misunderstanding of strategy, unaligned organization systems and resources, poor coordination, uncontrolled environment factors, linking performance and pay to strategies and resistance to change within the organization.

According to Pearce and Robinson (2000) strategic management can be seen as a combination of strategic formulation and strategic implementation. Strategy formulation involves doing a situation analysis of both internal and external environment, setting the vision, mission and objectives of the organization and suggesting a strategic plan to achieve the set objectives. There is a forward and backward linkage between strategy formulation and implementation. From inception to the outcomes, there is a clear path of strategic management that most firms travel. Strategies formulated are not actions but rather have to be activated through implementation. The same path is observed in the intertwined implementation process where: strategies implemented leads to plans, which should then lead to programs; the programs leads to formulation of projects which require allocation of a given amount of resources and have to be completed within a given timeframe; projects then provide the requisite infrastructure that directs the day to day operations of the firm. Also, Strategic implementation involves allocating sufficient resources, establishing chains of command and reporting structure, assigning responsibility of specific tasks and processes to specific individuals or groups and managing of the process. Strategy formulation and implementation is continuous and requires continuous reassessment and reformulation.

Competitive strategy is the strategic choice that can influence construction firms ' performance. In analysing the strategies of firms, the Porter framework has been the dominant tool for the past two decades. Porter's model of the five relevant forces in an industry and his generic strategies are still popular concepts. Sandberg (1986) found that business strategies and industry structure have direct influence on growth performance of firms. In addition, such factors as strategic types, the adoption of new technologies, quality products and services, customer relations and other organizational strategy related factors are also revealed to have important influence on superior performance of firms. Given the limited resources in terms of finances, human expertise and production process, construction firms can address the scope of competition by adopting a narrow product/service and market approach.

Research not only suggests a relationship between strategy and performance, but also that performance measures can, and perhaps should, be linked to strategy (Ittner *et al*., 2003). Traditionally, business performance has been measured in three ways. First, financial measures provide objective artefacts of a firm's performance. Accounting data such as return on assets (ROA), return on investment (ROI), and return on sales (ROS) have been applied to numerous studies (Daily *et al*., 2002). The new financial measure, Economic Value-Added (EVA), also has been applied to some studies (Chen and Dodd, 1997). However, the use of EVA is not that popular because it is too complex for managers to understand and use (Ittner and Larcker, 1998a). Proponents of using financial measures emphasize the objectivity associated with comparing the performance level of various business units along standardized lines (Sieger, 1992). However, financial measures often do not result in the valid valuation of intangible assets (Huselid, 1995). Nonetheless, financial measures remain the most popular and widely accepted approach in strategy-performance studies (Geringer *et al*., 1989).

Second, market-based measures of performance have received considerable attention in the literature (Amit and Livnat, 1988). Market value added (MVA) has been touted in the popular press as the most accurate means of evaluating how well a firm creates shareholder wealth.

Third, qualitative measures include subjective areas of performance such as ethical behaviour, stakeholder satisfaction with performance, customer satisfaction, and management satisfaction with performance (Parnell *et al*., 2000). They may also include employee satisfaction, delivery performance, process improvement, measures of material and parts delivery time, throughput time, due-date performance, quality, machine flexibility, and inventory levels (Hendricks *et al*., 1996). Specifically, a number of Internet businesses rely heavily on measures of web traffic to gauge performance. Viewing performance through a non-financial lens can provide insight into organizational processes and outcomes that cannot be seen via financial measures. In fact, non-financial measures are indicators of intangible assets and key drivers of firm value and may be better predictors of future financial performance than historical accounting measures, and thus should be disclosed (Ittner and Larcker, 1998)

Today’s important things for organizations are the amount of their goal achievement and how they should consider all aspects for reaching the desired ends. The problem of today’s managers is competition and dynamism of environment and unknowns of the outside and inside of the organization each affecting the implementation of plans especially strategic ones. Strategic implementation is an elemental step in revolving a company's vision and objectives into reality.

Without proper implementation, even the most superior and fine strategy would not make the grade as established. In last few decades, a number of articles have been published to understand the significance of strategy implementation presenting not only models for better execution of strategies, also highlighting factors that affect effective strategy implementation.

According to Kaplan and Norton (2008) managers have always found it difficult to balance their near-term operational concerns with long-term strategic precedence. Implementation success depends on motivating employees which is the art of managers. In order to focus on implementation of strategies, all the factors should specifically be noticed. In addition, every factor consists of sub-factors which should be noticed too, for defining the main factors substances and characteristics. Because the model is formed based on ranking sub-factors, it is essential to distinguish, analyse and evaluate them initially, and then making decision about the indexes for each main and sub-factors. Bhatti, (2011) claims that for implementation of strategies, it is important to plan a program in which job descriptions of all occupational titles are defined and appropriate implementation tools such as technology and information are accessible for staff. He states that in such conditions, as proper structure of organization, sufficient resources along with a strong leadership who has a predefined vision, and explicit organizational culture, a successful implementing can be set going (Bhatti, 2011). A strategy which might look fine and effective on papers, may fail to take off for a basic reason as employees might not like the change and resist it by going around its basic set requirements. Implementation of strategy may also fall short as of inadequate accessibility and availability of required resources. Derisory communication and training can play a major role for poor implementation. Similarly if people do not understand the basic essence as what is to be done or do not enclose the required knowledge, skills and expertise it become difficult for the strategy to implement and work as expected. From the discourse, it is clear that strategy implementation is very important to the success of the firm and factors that affect it also indirectly affect the performance of a firm.

Factors affecting strategy implementation

Managerial competence strategy

For strategies implementation to be successful, optimally functioning competent management system needs to be put in place to ensure the right decisions are made. Certainly organizations that adopt a total quality management philosophy will be better prepared to meet the challenge of competing in the global economic marketplace.

Managerial competence is a concept well known to academics, business practitioners, and consultants in strategic management. It was originally invented as a tool for justifying business diversification at large companies, and for supporting internal processes such as product development (Prahalad and Hamel, 1990). Scholars have acknowledged the importance of the concept by advancing it in multiple directions: by connecting it to conceptual notions of learning, suggesting core competence models to sustain competitive advantage, building on the concept's basic notions to invent similar concepts (Sanchez, 2004), and by developing processes for its identification (Eden and Ackermann, 2000). The importance of the concept is also acknowledged when testing the implementation of core competence as strategy (Clark, 2000).

The three criteria given above make competence a central concept in core competence issues. Competencies are crucial in general too, since they play a major part in organizational developments. Javidan (1998) has suggested a "competence hierarchy," in which the competence concept is of greater value to a company than (in decreasing value order) the capability concept and the resource concept. Javidan's research is important to this paper, since it is he who suggested the associated concepts as being fundamental to core competence issues. The hierarchy notion, however, is discarded here, since Javidan discusses neither its conceptions nor its implications.

Discussion of the theoretical ideas behind the competence concept has already been dealt with in more detail by others (Sanchez, 2004). The primary signifying characteristic of a competence, apart from its being inherent in individuals and teams, is development. The concept is generally separated into functional competencies and integrative competencies (Henderson and Cockburn, 1994). The former are used in daily activities, and the latter to integrate and develop new competence components. From a technology perspective, scholars suggest that product innovation, facilitated and improved by competencies, are a driving force of firm renewal (Danneels, 2002). Three types of competencies are distinguished: first-order competencies, which comprise customer and technological competencies; integrative competencies, or the ability to combine first- and second-order competencies, or the ability to build first-order competencies. Danneels' typology is based on the same fundamentals as the division into functional versus integrative and exploitation versus exploration (March, 1991), and is relevant to the concerns of this paper since he studies manufacturing companies with a focus on technology, which is appropriate for the empirical case. Here, we follow the lead of Danneels (2002), and define a competence as residing in individuals and teams with development as its general characteristic. However, since managerial competences are key ingredients in organizational success, they are already highly developed, which implies that minor competence developments are unlikely to have any impact on them. Consequently, only major developments (i.e. improvements) are included here.

Resource mobilization and strength strategy

Strategy formulation comprises the articulation of a mission, a set of long term objectives to be achieved within the stated mission, and an action plan specifying how the mission and objectives will be realized. In the context of health care, a mission common to governments of most countries is to provide, or cause to provide, health care for all citizens of the country. Long term objectives include efficient provision of quality health care that is accessible and equitable, in a manner that is socially and ethically acceptable. One of the principal components of an action plan for achieving these objectives is finding ways and means to finance the provision of health care (Berman, 1996).

Mankins & Steele (2005) suggest that resources deployment has to be discussed as early as possible in the whole implementation planning process, and these resources – financial, personal and time – have to be included in the company's budget from the beginning (Allio, 2005). Resource allocation contains two aspects. The first one is the level of necessary resources; the second one is the timing of the allocation (Mankins & Steele, 2005). In order to assure the necessary amount and the right timing Mankins & Steele (2005) argue that every business unit has to answer three questions precisely: What actions have to be taken in order to implement the new strategy within the unit? How long will it take? What kind of resources will be needed and when during the implementation stage? After obtaining the answers for these questions from every unit, organizations can build up their resource allocation for the whole strategy initiative (Mankins & Steele, 2005).

Discussion

The concept of strategy implementation is a key in an organization's competitiveness. From the classical strategic management theory, a strategy is a planning process initiated by the top management based on an elaborate industry analysis with a view to design a cohesive grand strategy for the corporation. Strategic planning process involves explicit systemic procedures used to gain the involvement and commitment of those principal stakeholders affected by the plan (Mintzberg *et al* 1998). Barney (2001) observed that the process of strategy implementation in organizations have mixed elements of planning, incremental, cultural, political, vision and enforced choice in different combinations.

Theoretically according to Higgins's Eight (8) S Model the management of an organization aligns the cross functional organizational factors which include; structure, system and processes, leadership style, staff, resources and shared values with the new strategy so that the strategy opted can succeed. The above factors are all important for successful strategy implementation in any organization (Higgins, 2005). The model proposes that success in strategy implementation is influenced by the strategy and purpose of the organization, structure, systems and processes, style, the type of staff, resources and shared values of an organization. The model creates a road map for implementation during the execution stage, helps uncovering the causes of failure during implementation. Also strategy implementation is affected by the effectiveness of communication in the organization.

Strategy implementation includes designing the organization's structure, allocating resources, developing information and decision process, and managing human resources, including such areas as the reward system, approaches to leadership, and staffing (Barnat, 2005). Thus the managers must lead, support, follow-up, and live the results of the strategic planning implementation process or else the strategic planning implementation process will fail.

The review of relevant literature indicates that the extent and success of strategy implementation is highly influenced by the competence of the management. Managerial competence is core in development of an organization. From a technology perspective, scholars suggest that product innovation, facilitated and improved by competencies, are a driving force of firm renewal (Danneels, 2002). This indicates that the extent of competence of the management is key in an organization's development.

The other factor which influences the implementation of a strategy is the resource mobilization. An organization has to take into account resources the organization has before planning on the strategies and how they are going to execute them. These resources include financial resources, time, personnel and other non-financial resources such as equipment and materials. An organization has to consider how it will allocate the resources well and how. This includes how the finances will be used effectively and in the most cost effective way possible.

A resource mobilization strategy, therefore, comprises the mix of mechanisms the government employs in order to directly finance its own production and delivery of health care (and indirectly ensure nongovernment provision of health care) in a manner that is efficient, equitable, sustainable, transparent and improves quality of care, (Chawla &. Govindaraj, 1996). The direct tools available to the government for mobilizing resources for the health sector are tax revenues, public sector user fees, insurance and donor funding, and the government may employ any one or a combination of many to meet its requirements of funds.

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