



# Implementation of Strategic Management Practices in Healthcare Sector in Saudi Arabia

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**Abstract:** The objectives of this study was to investigate the current level of adopting strategic management practices by healthcare organizations in Saudi Arabia, and to explore the barriers to their implementation based on the opinion of the top management. However, to achieve the objectives of the study questionnaire was used as the method to collect views of senior management in eight healthcare organizations (four public and four private healthcare organizations). The research adopted a positivism research philosophy approach that helped in data collection and analysis. The research strategy and design was a survey that used the self-administered questionnaire. This strategy helped get the necessary information and data for this research from the top management people. It also focused on the mono-method research choice that involved the collection of quantitative data. Lastly, the research adopted exploratory and descriptive research data analysis approaches. The theoretical foundation of this research found out that there is a dire need for strategic management practices in both public and private healthcare sector in Saudi Arabia. The results showed that six out of eight healthcare organizations (two public and four private) have already adopted and implemented strategic management approaches. The results revealed that the main reasons behind clinging on the old management practice are (1) fear of change, (2) weakness of understanding the strategic concept, (3) insufficient capabilities of employees, (4) unwillingness to change. Practically, these research findings helped develop a framework that helped gain a deeper understanding of the link between implementing strategic management practices and the success of the healthcare sector in Saudi Arabia. The last section of the research is the discussion and conclusion urging organizations to be cautious while adopting strategic management by continuously training both top managers and members of staff to ensure the strategy is purposefully implemented.

**Keywords:** *Strategic management, implementation, public sector, private sector, healthcare organizations, Saudi Arabia*

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## INTRODUCTION

The change in the management method has become a hallmark and an essential step for the contemporary organizations, where it offers its optimal solutions in a world teeming with the challenges imposed by globalization. The intense competition among organizations, information revolution, and the abolition of trade barriers placed many organisations, more so in Saudi Arabia at stake. In this regard, it has necessitated the provision of managerial skills that prove instrumental in dealing with these rapid changes, and in this case, the reliance on strategic management has become an essential requirement in modern organisations. Nonetheless, the traditional management method, which is based on prediction and experience is no longer appropriate to break through the current situation. The same

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sentiments are shared by [Alharbi and Yusoff \(2012\)](#) who criticise the traditional management method by claiming that this method is an inadequate practice to cope with the current unstable environment that requires speed, innovation, and flexible management. Hence, service industries, such as healthcare sector, are under major pressure from the customers, insurance companies, employees, and the government to raise the importance of seeking and implementing a new business method to meet the demand boost from the stakeholders ([Klewes & Langen, 2008](#)).

According to [Begun, Zimmerman, and Dooley \(2003\)](#), healthcare organizations are considered as “complex organizations in the modern society”. [Dickinson, Snelling, Ham, and Spurgeon \(2017\)](#) further explain that healthcare managers have limited decision control as far as the uncertainties, instability and professional bureaucracies characteristics are concerned. This then makes the healthcare industry a fascinating study platform for strategic management practices implementation. From this perspective, hospitals are considered as pluralist organizations that differ in their objectives, and not necessarily compatible with a single strategic direction ([Thompson, Dorsey, Parrott, & Miller, 2003](#)). Therefore, all healthcare systems in the world are struggling with the need to reform the system, which would develop adequately together with the changes occurring around it. By examining the situation, many researchers agreed that the main objective of the strategic management concept lies on the implementation aspect, as the values of any tool lie in its practical usage ([Drucker, 2013](#); [Hamel & Breen, 2007](#); [Oppenheim, Bonini, Bielak, Kehm, & Lacy, 2007](#); [Pralhad & Ramaswamy, 2004](#); [Porter & Teisberg, 2006](#)).

According to [Harrington and Ottenbacher \(2011\)](#), strategy implementation is defined as the process of transforming intentions into actions. [Mihic, Obradovic, Todorovic, and Petrovic \(2012\)](#) further pointed out that in countries such as America, Canada, Denmark, Sweden healthcare organizations in both sectors employ appropriate approaches to strategic management in order to provide the best possible quality of healthcare. On the other hand, countries like Serbia have just recognised the need for introducing strategic management in the healthcare sector. Moreover, [Fritzen \(2007\)](#); [Varsani \(2018\)](#) and [Surf, Saied, Susilawati, and Trigunarsyah \(2014\)](#) highlight that the concept of strategic management and its implementation is often ignored by management in developing countries such as Saudi Arabia that is considered to be one of the developing countries despite the rapid and successive developments that the country witnessed in all sectors. In these countries the appreciation and adaptation of this model is still at the development phase and limited by scale. Notably, some organizations refuse to adopt this model due to the cost factor and limitation in resources. On the other hand, [Ginter, Duncan, and Swayne \(2018\)](#) argue that the strategic management model concept is a vital tool in many organizations, and it can be a great instrument towards achieving the objectives of the organization. Furthermore, [Dudeck, Blobel, Lordieck, and Burkle \(1997\)](#) emphasise on strategic management emerging as a critical point of differentiation and success in the health industry, as the future of every organization depends on integrated thinking on the part of the executives. For instance, in New Zealand, the new District Health Board is expected to introduce district strategic plans to fulfil their objectives and reach the highest level of performance through the healthcare centres ([Leatt & Mapa, 2003](#)). In the current situation, the concept of strategic management in Saudi Arabia is being used to enact, identify, and manage policies. Besides, the government organizations have continually adopted the strategic management approach and concept for its “Five Year Strategic Development Plan”. This plan would lead to two essential and complementary roles. First is the guiding role, which concentrates on the state institutions and the public sector and second is an indicative role, which concerns the civil as well as the private sector.

The private sector in Saudi Arabia is considered as an active sector as compared to the public sector. The sector is characterised by a high degree of dynamism activity as well as having the ability to manage its resources strategically and efficiently in order to achieve its objectives. According to [Oxford Business Group \(2014\)](#), in 2012 private sector contribution was significant, with the total Gross Domestic Product (GDP) standing at 58.8%. This sector has become a major partner in the development process. However, despite these achievements, the healthcare sector does not get the attention it deserves. As the literature review reveals, the lack of qualified supervision, poor information, and lack of independent decision-making are among the factors that impede the implementation of strategic management in the healthcare sector in Saudi Arabia ([Al-Ahmadi & Roland, 2005](#)). According to [Barrage, Perillieux, and Shediak \(2007\)](#), Saudi’s healthcare system was rated at a “C”, which put it behind some of the GCC countries such as Kuwait and far behind most of the European countries. However, in order to address this issue, the Saudi Government funds demanded for healthcare capital and operating expenditures to improve its Service Industry rank. The government is aware of the increasing demand for medical services and its importance in society. Therefore, it seeks to establish a system that is more responsive to these requirements and pressures.

Growth in Population is a key factor for any country’s healthcare services. In Saudi Arabia, the population is

projected at 39 Million in 2030 compared to 30 Million in 2012 that will put pressure on the government to cope with that growth in demand (Alghamdi & Sun, 2017; Cowan, 2018). Therefore, plans are underway to encourage the development of a private healthcare system as well (Barrage et al., 2007). In 2009, the healthcare industry was dominated by the government with it owning 253 hospitals, unlike the 125 hospitals that were private based. These numbers are expected to rise to 274 public hospitals and 145 private hospitals by 2015 (Colliers International, 2012). Despite these positive movements and the emergence of the response mechanisms and strategies to meet the recent challenges, the public organizations were slower to respond than private organizations. This study contributes to understanding the obstacles of the implementation of strategic management practices in Saudi's healthcare sector, to improve its level of adoption and achieve a high level of performance.

## LITERATURE REVIEW

### *Introduction*

This section seeks to compare and evaluate the current level of adopting strategic management practices in the public and private healthcare organizations in the Kingdom of Saudi Arabia. It will also examine the importance of strategic management practices in the healthcare industry in Saudi Arabia, and the main reasons behind the country still operating on the traditional approach of management.

### *The Importance of the Implementation of Strategic Management for its Development and Success*

According to Sollish and Semanik (2011), some organizations believe on the importance of the implementation of strategic management for its development and success. On the other hand, some other organizations are of the opinion that it is necessary to focus on the results regardless of how attractive and perfect the strategy is and that results should be monitored as a strategy. These organizations believe that there are many different ways to achieve the goals, which could be through flexibility and experiences that are adequate to attain the corporate goals without getting the risk of changing management approach and be committed to a strategy (Sollish & Semanik, 2011).

In Saudi Arabia, the healthcare sector is undergoing a constant change because of its importance for Saudi society and the tremendous increase in the demand for healthcare services. Consequently, the government has established specific regulatory reforms for public hospitals as well as encouraged the private sector investors to invest in the healthcare industry (Alfiandri, 2017; Barrage et al., 2007). Jadwa Investment (2012) reports on how the Saudi government has allocated 16% of the government budget on healthcare sector. This statistic has placed the healthcare industry as the second among the rankings after the training and education sector. Despite the Saudi government efforts, the healthcare sector is still facing several challenges. The stakeholders' expectations and awareness, for instance, has created intensive pressure on the healthcare industry. To achieve the required efficiency and effectiveness in this industry, it is important to adopt a clear corporate strategy. In this regard, this study will adopt the following research questions:

1. What is the level of the implementation of strategic management practices in the healthcare organizations in both sectors in Saudi Arabia?
2. What are the reasons behind implementing or rejecting the strategic management model?

To attain reliable answers to the aforementioned questions, this research sought to targeted the top management in both sectors. This approach would allow for an understanding on what level is most responsible for developing the organization strategic goals and plans as well as achieve the objectives of the organization. However, due to the mixed results on the literature about the importance of the implementation of strategic management practices and its impacts on the organization performance, the following testable hypotheses which reflected on the subsequent constructs that were supported by the relevant literature were developed.

### *The Importance of Strategic Management Practices in the Healthcare Industry in the Kingdom of Saudi Arabia*

The greatest challenge facing the healthcare industry in Saudi Arabia is providing quality health services and meeting the set demands, with limited resources. In Saudi Arabia, the healthcare organizations are under significant pressure, which required a change in the management method (Caldwell, Chatman, O'Reilly, Ormiston, & Lapiz, 2008). According to Khoja et al. (2018), several contributing factors will create a remarkable demand for healthcare services in Saudi Arabia. In 2035, it is predicted that the elderly population (persons aged 60 and above) will increase from 3% in 2010 to 9.5% in 2035. Saudi Arabia has reported a high prevalence of obesity, with an annual death of 400/100,000

individuals dying from cardiovascular diseases according to the [World Health Organization \(2013\)](#). Moreover, in 2014 more than 9000 individuals dying from cancer ([World Health Organization, 2014](#)). The government believes that by relying only on public healthcare organizations they will be unable to continue to meet this demand. Thus, they have concluded that the only way to ensure that the Saudi Arabian community health needs are met, without affecting economic progress is through increasing the participation of private sector in the healthcare system ([Barrage et al., 2007](#)). According to [Swayne, Duncan, and Ginter \(2006\)](#), private sector healthcare organizations are more efficient and effective in achieving their goals than public sector healthcare organizations and have a higher level of consistency in decision-making. The authors discussed the primary reasons for that and the result was that the organization's culture and way of management are the main reasons for the out-performing of private healthcare organizations. In addition, the high level of competition between the private healthcare organizations in the Kingdom was also considered a major issue. Therefore, the Saudi government has established regulatory reforms to encourage the private sector to invest in the healthcare industry. All these changes will create massive opportunities for local, international and other healthcare providers to operate and compete in the Saudi healthcare market. Despite that, this competitive environment has also demanded more and better administration, careful planning, and immediate response to external pressures and equal attention to the expectations of the various stakeholders - altogether constituting new challenges for healthcare organizations ([Bryson, 2018](#); [Meyer Junior, Pascucci, & Murphy, 2012](#)). This highlights the importance of adopting strategic management practices, in order to face different situations and to cope effectively with the unstable and uncertain external environment ([Kazmi, 2008](#)), in addition to enhancing the organization's performance through formulating and implementing the strategies to reach the goals ([Heracleous, 2003](#); [Srivastava & Verma, 2012](#)).

In that regard, [Singh \(2008\)](#) argues that the performance of a firm is the indicator of how effective it is in converting a plan into action and executing it. According to [Okumus and Roper \(1999\)](#) the great strategies are unproductive if they cannot be implemented. Having a strategic plan in place is not a guarantee that an organization will achieve its strategic goals and objectives. Some recent studies suggest that strategy development and the implementation of strategic management practices can make a huge difference in the performance of the organization. [Kazmi \(2008\)](#) argues that organizations that use strategic management concepts and techniques do have higher levels of performance. [O. Hughes \(2012\)](#) opine that strategic management practices are the pathway to success and reaching the organization's goals, through boosting the performance of the organization. In addition, the strategic management practices allow businesses to use forward thinking that is considered a major roadmap for the organization to reach its goals. [Wheelen and Hunger \(2011\)](#) claim that those organizations that were implementing correct strategies mostly perform better than those that did not. However, this approach will require a high level of commitment from both top-management and employees. [Plant \(2009\)](#) claims that there is a vital need to understand and appreciate the role of strategic management in improving the performance of the organization, and the close relationship between the implementation of strategic management practices and the performance of the organization. Strategic management plays the role of a compass that shows the pathway that the organization must follow to attain their goals, resolve the complexity, and creating a competitive advantage ([Harrington & Ottenbacher, 2011](#)). Therefore, the following hypotheses were developed:

**H1:** *There is a positive impact of implementing strategic management practices on the efficiency of the organizations' performance.*

**H2:** *The private sector healthcare organizations are more committed in implementing strategic management practices than public sector healthcare organizations.*

### ***Implementing Strategic Management: Effort, Money and Time***

Strategic management is fundamental for any organization. Through strategic management practices, firms attempt to exploit the opportunities available in the business environment. However, implementing successful practices will require effort, money and time ([Neu, 2013](#)). Therefore, it is essential to understand the strategy before implementing it, as the success of implementing a strategy is the reason behind the success of the organization ([Laville & Richardson, 2010](#)). Moreover, ([Tooley, 2010](#)) claim that implementing strategic management practices correctly will guarantee that resources are employed efficiently, and time and money are not wasted. Therefore, to formulate a suitable strategy, it is crucial to consider all aspects of the dynamic environment and situations, which the organizations are facing. The strategy tends to have three distinct phases: Strategy formulation, strategy implementation, and performance evaluation ([Andrews, Boyne, Law, & Walker, 2009](#)). Strategic management appears to be quite straightforward as it is all about putting in place some medium to long-term goals, predictions about the future, integrating resources,



developing a plan and scheduling, and then implementing the strategies. However, in reality, it is not a simple task as the basic concept of the strategic management is implementing it in the correct way (Sadler, 2003). Different analysts pointed that a well-formulated strategy can bring various benefits to the organization in the present day environment as well as in the future (Hamel & Breen, 2007). The strategy is made on rational and logical manners as it plays a vital role in assisting the organization to unify their managerial and organizational efforts. This unifying effort reduces effort, cost and time invested (Davies, 2009). Therefore, internal analysis is playing vital to identify the strengths and weaknesses of the organization. Also, it enables the top management to put in place the suitable strategic plans and to manage these strategies so as to achieve the objectives of the organization as Hussey (1999) indicates. Most importantly, wrong analysis could cause failure in the implementation of strategic management. On the other hand, the external analysis is essential in identifying current and future external threats and opportunities of the organization. All types of organizations both “public and private” should understand their position in the external world, so that they can plan and develop the strategies that can help them to remain viable. The organization should optimize all the opportunities and minimise threats that might face it and affect its performance. Therefore, the following hypothesis was developed:

**H3:** *There is an inverse relationship between costs, effort and time consumed and the implementation of strategic management correctly (if the strategic management implements correctly that will decrease the costs, effort and time consumed, and vice versa).*

#### ***Roles and Skills of Strategic Management Managers***

The perception of the significant challenges surrounding the organization depends - to a large extent on the potential to make the most of all varieties of knowledge and experience, the available capacity, potentials, and skills. Therefore, implementing strategic management practices is not limited to just what is called "unpredictable" but also on "the unknown", and because of the uncertainty and instability in the external environment, management in any organization is facing several challenges. Therefore, it is crucial for the organization to continually review its strategies and take the necessary steps to amend and improve these strategies. This approach requires qualified and highly trained managers. According to the literature, top-management plays vital roles in any organization, among them being; planning, implementing, organizing, leading, evaluating and controlling the results. Therefore, having the right person to implement the strategies is essential to ensure the strategies are implemented correctly. Accordingly, many researchers believe that the CEOs and those who plan and implement strategies should have special qualifications and skills (Zimmerman, 2010). However, the situation is far more complicated in healthcare organizations, since the Healthcare organizations are complex and dynamic, the nature of these organizations requires managers having leadership skill. Schulz and Johnson (2003) claim that healthcare organizations could operate effectively if senior managers can adapt and balance all of the significant roles of the organization. Leadership, adaptability, value creation, and the ability to take decisions are necessary skills for strategic managers (Amason, 2011). The strategic success is usually linked to a large number of managers involved in the organization. These managers are those who meet the requirements skills of leadership and intellectual superiority. According to Zimring, Augenbroe, Malone, and Sadler (2008), even if the healthcare organizations have a highly competent team they cannot replace the crucial role of the chief executive officer and other senior executives (strategists). Out of such, some researchers state that the strategist is in a unique position to create an agile and open organization that can deliver much safer, better quality, and more efficient services. Therefore, the strategic manager must have the ability to recognize and analyse the situations and must possess a number of characteristics that distinguish him or her from the others, such as, strategic vision, strategic thinking, and strategic decision (Ginter et al., 2018). In this relation, the following hypothesis was adopted;

**H4:** *Strategic managers must possess a number of characteristics that distinguish them from the others.*

#### ***Understanding the obstacles to Implement Strategic Management***

As seen in the research conducted by Harrington and Ottenbacher (2011), traditional management style does not apply in modern day organisations. Many researchers acknowledge the importance of adopting and implementing strategic management method within the organizations, and that can be by establishing operational strategies while addressing employees' resistance to change. Despite that, Karim and Mitchell (2000) argue, that most organizations still have faith in the traditional method of management to perform their work, especially public sector organizations. The writers suggest that organizations have to come up with creative ways of management to survive in the competitive market and cope with external pressure. Moreover, R. Hughes, Beatty, and Dinwoodie (2005) noticed that public

sector organizations are having trouble in implementing strategic management practices, compared to private sector organizations. In that regard, Olsen (2012) claims that only one of ten organizations manage to implement their strategic plan effectively.

Kegan and Lahey (2001) pointed out that the main reason behind the failure of implementing strategic management practices and clinging on the traditional method in management is the unwillingness and fear of taking the responsibility of change.

According to Bennett and Bennett (1911), fear of change, as the individuals' resistance to change is an important issue that affects the implementation of the strategy. The author further claims that, "any change even a change for the better, is always accompanied by drawbacks and discomforts" (Bennett & Bennett, 1911). Moreover, van der Laan and Yap (2016) identifies one reason in his research on strategic implementation problems, as he notes that failure to foresee future problems is the main hindrance of the successful strategy implementation. Waithaka (2015) recognizes the difficulty of strategy implementation by highlighting various factors that can lead to the inappropriate implementation of the strategy such as, insufficient resources, employee's resistance, and poor communication. In addition, Hrebiniak (2005) identified that among the factors that may cause obstacles to successful strategy implementation are; insufficient capabilities of employees involved in the implementation, failing to empower or give people more freedom and authority to implement it, fear of change, and lack of understanding the organizational structure in the implementation process. Additionally, Brinkschröder (2014) argues, that by having an environment characterized by complexity and constant change, there is high chance to face some obstacles on implementing the strategy, which will give a wrong impression about this type of management in the minds of managers, which makes them clinging on the traditional method of management. Consequently, the implementation of strategic management will become impossible. The resistance and unwilling to change is generally rising from managers who do not believe in this approach of management. This resistance can arguably be said to be derived from a misunderstanding of the change, fear of failure, fear of job loss, changes of people roles as well as the fear of losing personal interests (Kindalkar, 2009). In other cases, such resistance is more puzzling (Kegan & Lahey, 2001). Accordingly, the following hypothesis is proposed:

**H5:** *Fear of change is the main reason behind clinging on the traditional method of management.*

## METHODOLOGY

In order to examine "implementation of strategic management practices in healthcare sector in Saudi Arabia", this research adopted the positivism research philosophy approach. Through the positivism philosophy, the hypotheses of this research will be tested and confirmed as a whole or part. The research approach enables the researcher to ensure the right selection of data collection sources and data analysis. Deductive research moves from general ideas/theories to a specific particular situation. The research will follow the deductive research approach on seeking "the reality of the implementation of strategic management practices in the healthcare industry for the public sector and private Kingdom of Saudi Arabia". In this research, the survey "self-administered questionnaire" was used as a research strategy and design. This strategy is the key data collection which helps to get the necessary information and data for this research. Through the survey, the researcher was able to know the validity of the hypotheses that have been developed as a basis for research.

Social scientists use the term 'population in the special sense of the group or list they are sampling from. In the case of this research, the target group is the top management people, as they are the main people responsible for implementing and managing the strategic management practices within the organizations. This questionnaire will ask the selected group 'top management' to identify the type of healthcare organization that they are working in (public or

private) in the initial stages, then clear, direct, and appropriate questions related to the subject of study will be asked which will allow us to find out the exact information that needed to reach the desired results of this research.

This research is focused on mono-method research choice which data collection involved only quantitative data. Time horizon is an essential step when planning the research. This research is representing a cross-sectional study in which it limited to a specific duration to achieve their specific objectives. Since the purpose of this paper is to explore the level of the implementation of strategic management practices in healthcare organizations in both public and the private sector in Saudi Arabia, the study required exploratory and descriptive research data analysis to measures the reality of the implementation. Figure 1 illustrates the research methodology approach selected.

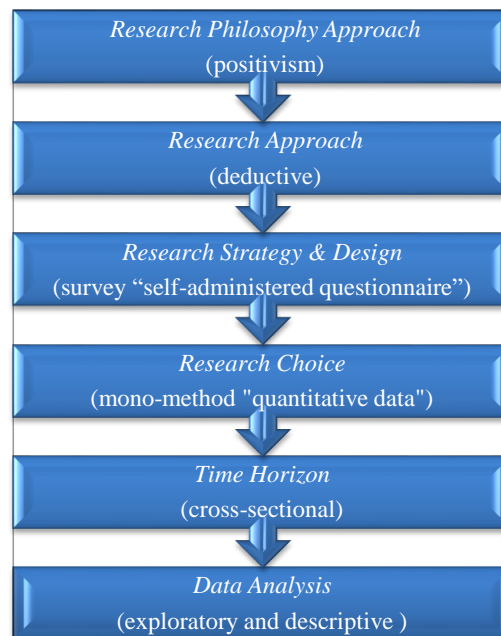


Figure 1 *Research Methodology Approach*

## RESULTS

This section discusses the results from the research hypotheses.

### *Findings*

The strategic management concept in the healthcare industry in Saudi Arabia is a unique concept that requires people's attention and intention to accept it and adopt it. The primary goal of this study was to identify the level of the implementation of strategic management practices in both healthcare sectors in the Saudi Arabia. Questions have been developed and divided into five parts in the questionnaire. These parts were to test the proposed hypotheses, which are the core of this study. The 32 questionnaires were distributed over eight (four public and four are private) healthcare organizations in the Kingdom of Saudi Arabia. This current research emphasizes what (Morden, 2007) states according to strategic management, as it has been a standard business practice in the majority of e-companies and organizations around the world, and the findings of this research are supporting that statement. As this research found out, there are six healthcare organizations out of eight that are engaged in strategic management. This notion appears to be the orientation of the healthcare organizations in Saudi Arabia to manage their business strategically. It is clear that the public healthcare organizations have been slower to respond to the implementation of strategic management practices than the private healthcare organizations, despite the attention and support given by the Saudi government. Table 1 below presents the summary of the results of the hypothesis testing.

Table 1 RESULTS OF HYPOTHESIS TESTING AT A GLANCE

Hypothesis	Results	Comments
<b>H1:</b> There is a positive impact of implementing strategic management practices on the efficiency of the organization's performance.	There is a positive relationship between the implementation of strategic management practices and the organization's performance.	Results supported the hypothesis
<b>H2:</b> The private sector healthcare organizations are more committed in implementing strategic management practices than public sector healthcare organizations.	Private sector healthcare organizations are taking the risk in Changing Management more than the public sector healthcare organizations.	Results supported the hypothesis
<b>H3:</b> There is an inverse correlation between costs, effort and time consumed and the implementation of strategic management practices correctly (if the strategic management implements correctly that will reduce the costs, effort and time consumed, and vice versa).	Implementing strategic management practices correctly will reduce the cost, effort and time consumed.	Results supported the hypothesis
<b>H4:</b> Strategic manager must possess a number of characteristics that distinguish him or her from the others.	Widely agree that strategist should have special qualifications and skills.	Results supported the hypothesis
<b>H5:</b> Fear of change is the main reason behind clinging on the traditional method of management.	Significant relationship between fear of change and clinging on the traditional method of management.	Results supported the hypothesis

### **H1: There is a positive impact of implementing strategic management practices on the efficiency of the organization's performance**

According to this poll, the survey researched 32 of the top-management in eight healthcare organizations in Saudi Arabia. The finding shows that 97% of the participants agreed with the statement, as they believe that by implementing strategic management practices the efficiency of the organization's performance will increase. However, 3% of the sample population disagree with this relationship between the implementation of the strategic management practices and the organization's performance. Figure 2 presented the results. The results reflect the understanding of the top-management on the importance of the strategic management practices.

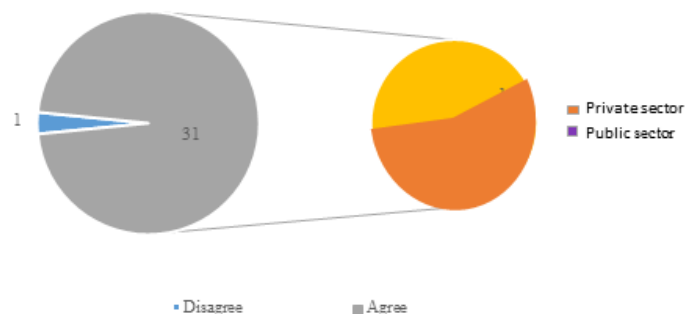


Figure 2 Strategic Management Practices Leads to Superior Organizational Performance

### **H2: The private sector healthcare organizations are more committed in implementing strategic management practices than public sector healthcare organizations**

Data shows that there were 6/8 of the healthcare organizations in question which is more than 50%, have already implemented strategic management. However, the finding shows that the private sector healthcare organizations realized



the importance of the strategic management practices before the public sector healthcare organizations. According to the statistics, three private healthcare organizations have implemented strategic management practices since more than five years. On the other hand, this concept is quite new to the public healthcare sector organizations. The analysis is shown in Figure 3.

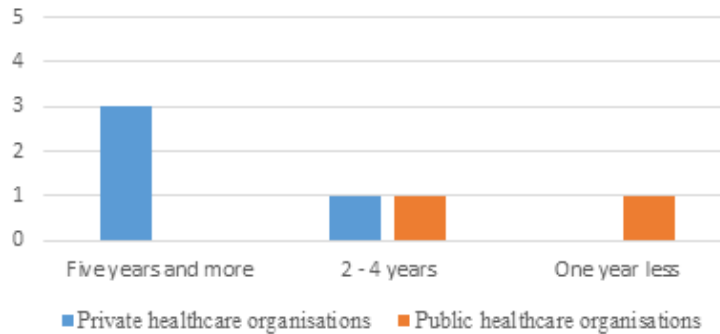


Figure 3 *Implementing Strategic Management Practices*

**H3: There is an inverse correlation between costs, effort and time consumed and the implementation of strategic management practices correctly (if the strategic management implements correctly that will reduce the costs, effort and time consumed, and vice versa)**

The results reflect the strong level of understanding by the respondents from private sector healthcare organizations. 16/16 respondents from private sector healthcare organizations agreed that there is a negative correlation between the three variables mentioned and the implementation of strategic management practices. On the other hand, the results achieved in this research are quite different in the public sector healthcare organizations, as the findings indicate that 7/16 of the participants from public sector organizations, which is less than 50%, agree with this statement. These findings reflect lack of understanding on the importance of implementing strategic management practices by the public sector top-management. Figure 4 illustrates the findings.

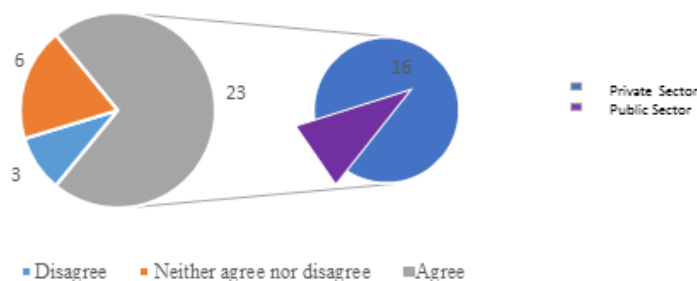


Figure 4 *Implementation of Strategic Management Practices Positively Affects Efforts, Cost and Time Consumed*

**H4: Strategic manager must have a number of characteristics that distinguish him or her from the others**

Results have confirmed on the importance of possessing high level of managerial and tactical thinking skills for strategic managers. Statistics show that 75% of the participants strongly agree that strategists must possess special characteristics that distinguish them from the other managers. However, results show that respondents from healthcare organizations in the private sector believe more in this statement. With 14/16 of the respondents from private sector healthcare organizations are strongly supporting this statement, compared with only 10/16 respondents from the public sector. This reaffirms the private sector's deeper understanding of strategic management practices more than the public sector in Saudi Arabia.

**H5: Fear of change is the main reason behind clinging on the traditional method of management**

Fear of change plays an important role in clinging on the traditional method of management. Based on the data received, 12/32 from the respondents believe that fear of change is the main reason behind remain with the traditional

management approach. However, most of the respondents who believe on that reason are from public sector. That result came to confirm the hypothesis. Figure 5 illustrates the findings.



Figure 5 *Implementing Strategic Management Practices*

## DISCUSSION AND CONCLUSION

### *Research Contributions*

This section focuses on the contributions of this research work. It includes the strengths and contribution of research to theory and practice.

**Strengths and contribution of research to theory and practice:** The theoretical foundation of this research found out that there is a dire need for strategic management practices in both public and private sectors in Saudi Arabia, not assuming the healthcare sector in Saudi Arabia. With the many changes taking place in the world, strategic management has been considered the tool that will be useful for driving both economic and technical transformation in Saudi Arabia's healthcare sector (Ministry of Health, 2009). Through this form of management, it is possible for the top management to plan, monitor as well as assess the necessary steps to drive the organization towards realizing its goals.

As the research study found out, the healthcare organizations contribute majorly in the development process of Saudi Arabia. Nonetheless, the theoretical foundations found out that, contemporary strategies will prove useful for Saudi Arabia healthcare organizations to meet the set targets as well as cope with the ever changing healthcare environment in the country. Even with the many challenges facing the healthcare organizations, the theoretical foundations have helped emphasize the need for adoption of proper strategic management approaches by the healthcare organizations in Saudi Arabia. It has been possible to evaluate the barriers of the implementation especially as far as the execution of the top management is concerned. For instance, it has been possible to demystify the reasons behind the top management focusing on old management practices in their organization, especially for the ones that had fear of change and others that barely embraced the strategic concept for lack of understanding (Mufti, 2000). It is then expected that such managers will be provided with the right expertise to deal with the change in question.

Practically, these research findings helped in the development of a framework that helped gain a deeper understanding of the link between implementation of strategic management practices and the success of the healthcare sector in Saudi Arabia. Hence, based on the theoretical framework, it is imminent that development can be achieved in the event that managers adopt strategic management in different settings. This research can then be used as a model and a practical in reforming the healthcare sector in Saudi Arabia. Strategic management can then be institutionalised both in the public and private healthcare organizations.

With the increase in life expectancy in Saudi Arabia as Walston, Al-Harbi, and Al-Omar (2008) opine, proper strategies on how managers will be trained on adoption of strategic management practices will come in handy as a way of adopting strategic management approaches. This will not only make sure that the strategy will be implemented but will also allow for a complete improvement of the overall performance of the healthcare sector in Saudi Arabia (Almalki, Fitzgerald, & Clark, 2011). It will also be possible to come up with realistic and holistic approaches that will make sure that quality healthcare service is achieved. Lastly, different healthcare providers will be brought on board to allow for proper delivery of care based on strategic approaches (Altuwaijri, 2008; Aldossary, While, & Barriball, 2008).

### **Limitations and Further Study**

First, this study aimed to analyse and investigate the reality of the implementation of strategic management practices in healthcare sector in Saudi Arabia. The limitation of resources and studies in this field initially indicates the weakness of adopting the idea of strategic management in Saudi Arabia. Despite that, this limitation was not an obstacle to complete this research as all available resources have been used to achieve the desired objectives. The study recommends the importance of conducting future studies on various aspects of the implementation of the concept of strategic management in both public and private healthcare organizations in the Kingdom of Saudi Arabia, due to the novelty of this concept.

### **Conclusion**

There is evidence that the future direction of the healthcare organizations in Saudi Arabia is to manage their business strategically, by implementing strategic management practices. However, it is essential to overcome the obstacles to the implementation of strategic management practices. Therefore, there is a crucial need for having ongoing training and development programs, to develop and train both the leaders and employees on how to manage the organization strategically and develop effective strategies in order to achieve organization's goals. It is important to note that this can be achieved by conducting more seminars and workshops, which will contribute positively to enrich employee's knowledge about the importance of the concept of the strategic management practices and the benefit of implementing it, develop their skills and their strategic thinking. Moreover, support and encourage competition within public healthcare organizations, by introducing competition law and policies, and a prize for excellence is recommended. The main idea of this is to motivate public sector organizations to implement strategic management, as a tool to cope with the competition effectively, keep ahead of the competition, and achieve a competitive advantage. This approach will also ensure the optimal use of the organization's resources. Lastly, this paper recommends to continually view the experiences of other healthcare organizations, locally and internationally, in the field of strategic management implementation, and benefit from their experiences.

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