

Influence of Strategic Partnerships on The Performance of Private Hospitals in Kiambu County, Kenya

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Abstract

Private hospitals in Kiambu County, Kenya, are pivotal to the region's healthcare system, yet they face significant challenges, including escalating operational costs, intensifying competition, and a rapidly evolving healthcare landscape. This study investigates the influence of strategic partnership practices on the performance of private hospitals in Kiambu County. Specifically, the study investigated the influence of alignment of organizational goals, vision, and mission, and operational efficiency of the from level three and four private hospitals private hospitals in Kiambu county. Institutional Theory, which emphasizes mimetic isomorphism—where organizations emulate the structures and practices of successful peers to enhance legitimacy and performance guided the study. A descriptive research design was adopted, and data was collected from 248 respondents, constituting corporate executives, human resource managers, finance officers, and information technology managers. Structured questionnaires with both open-ended and closed questions were used to gather quantitative and qualitative data. Descriptive statistics (percentages, means, and standard deviations) and inferential statistics (multiple regression) was employed for quantitative analysis, while thematic analysis was used for qualitative data. Findings revealed that strategic partnerships significantly enhance hospital performance, with alignment of goals, vision, and mission showing the strongest influence, followed by operational efficiency. The study recommends that private hospitals cultivate strategic partnerships aligned with institutional objectives to improve efficiency, revenue growth, and staff productivity, offering valuable insights for hospital administrators and policymakers.

Key words: *Strategic partnerships, Private hospitals, Kiambu County, Organizational performance, Alignment of goals, vision, and mission, Operational efficiency, Institutional Theory, Mimetic isomorphism, Healthcare performance, Efficiency, Revenue growth, Staff productivity, Resource sharing, Technology adoption, Stakeholder trust*

1.0 Introduction

Private hospitals in Kiambu County, Kenya, plays a critical role in addressing health needs, complementing public healthcare facilities by providing specialized care, reducing wait times, and improving access to quality services within the county (Mohamoud & Mash, 2022), while Private hospitals, particularly level three and four facilities, are essential contributors to this ecosystem, yet they face significant challenges, including rising operational costs, intense competition from both public and private providers, and the need to adapt to technological advancements and

regulatory changes (African Development Bank, 2022). These challenges threaten the performance of these facilities, measured through efficiency, revenue rate growth, and staff productivity and satisfaction, necessitating strategic interventions to ensure sustainability and competitiveness. Mukhongo et al., (2023) note that Strategic partnerships influence performance through the involvement of collaborative arrangements between organizations to share resources, expertise, and capabilities to achieve mutual benefits and strategic objectives. In private hospitals, such partnerships enable them to access advanced technologies, enhance service delivery, and improve operational efficiency, ultimately contributing to better performance outcomes (Lewis et al., 2017). This study focuses on the influence of strategic partnership practices, specifically the alignment of organizational goals, vision, and mission, and operational efficiency, on the performance of private hospitals in Kiambu County.

1.1 Problem of the Statement

Private hospitals in Kiambu County face significant performance challenges, including escalating operational costs, intense competition, and the need to adapt to a rapidly evolving healthcare landscape characterized by technological advancements and regulatory pressures (African Development Bank, 2022). These challenges have led to inefficiencies, reduced revenue growth, and difficulties in maintaining staff productivity and satisfaction, threatening the sustainability of private healthcare facilities (Mohamoud & Mash, 2022). Despite the critical role of private hospitals in complementing public healthcare services and improving access to quality care, their performance remains suboptimal, with many struggling to achieve financial sustainability and operational excellence. Strategic partnerships have been recognized globally as a strategic management practice that enhances organizational performance by facilitating resource sharing, improving operational efficiency, and aligning organizational objectives with those of partners (Lewis et al., 2017).

However, in Kiambu County, the specific impact of strategic partnerships, particularly the alignment of organizational goals, vision, and mission, and operational efficiency, on hospital performance remains underexplored. Many private hospitals engage in partnerships on an ad hoc basis without a clear strategic focus, limiting their ability to leverage these collaborations for competitive advantage (Mutia, 2020). Existing studies in Kenya have primarily focused on financial performance metrics, with limited attention to non-financial indicators such as efficiency and staff productivity, which are critical for assessing long-term sustainability (Mwangi & Kihara, 2021). The lack of comprehensive research on the influence of strategic partnerships on private hospital performance in Kiambu County creates a knowledge gap that hinders the development of evidence-based strategies for improving competitiveness and sustainability. Without understanding how specific partnership practices contribute to performance outcomes, hospitals risk missing opportunities to enhance service delivery, reduce costs, and strengthen stakeholder relationships. This study addresses this gap by examining the influence of strategic partnership practices, focusing on alignment of goals, vision, and mission, and operational efficiency, on the performance of private hospitals in Kiambu County, providing actionable insights for hospital administrators and policymakers.

1.2 Objectives

The study was guided by the following objectives.

- i. To examine the influence of alignment of organizational goals, vision, and mission on the performance of private hospitals in Kiambu County, Kenya.

- ii. To investigate the influence of operational efficiency on the performance of private hospitals in Kiambu County, Kenya.

2.0 Theoretical Review

Institutional Theory, initially developed by Meyer and Rowan (1977) and later refined by Meyer et al. (2017), provides a powerful framework for understanding how private hospitals in Kiambu County form and sustain strategic partnerships. The theory emphasizes that organizational behavior is shaped by institutional environments composed of societal norms, regulations, and expectations. Through mimetic isomorphism, hospitals emulate successful peers to gain legitimacy and operational credibility (Aksom & Tymchenko, 2020). In practice, this means that private healthcare institutions collaborate with reputable partners—such as established hospitals, international medical organizations, or technology firms—to adopt proven management and service models. These partnerships facilitate improved efficiency, quality assurance, and institutional alignment with globally recognized standards, enhancing the hospital's reputation and competitiveness in the healthcare market (Peters, 2022).

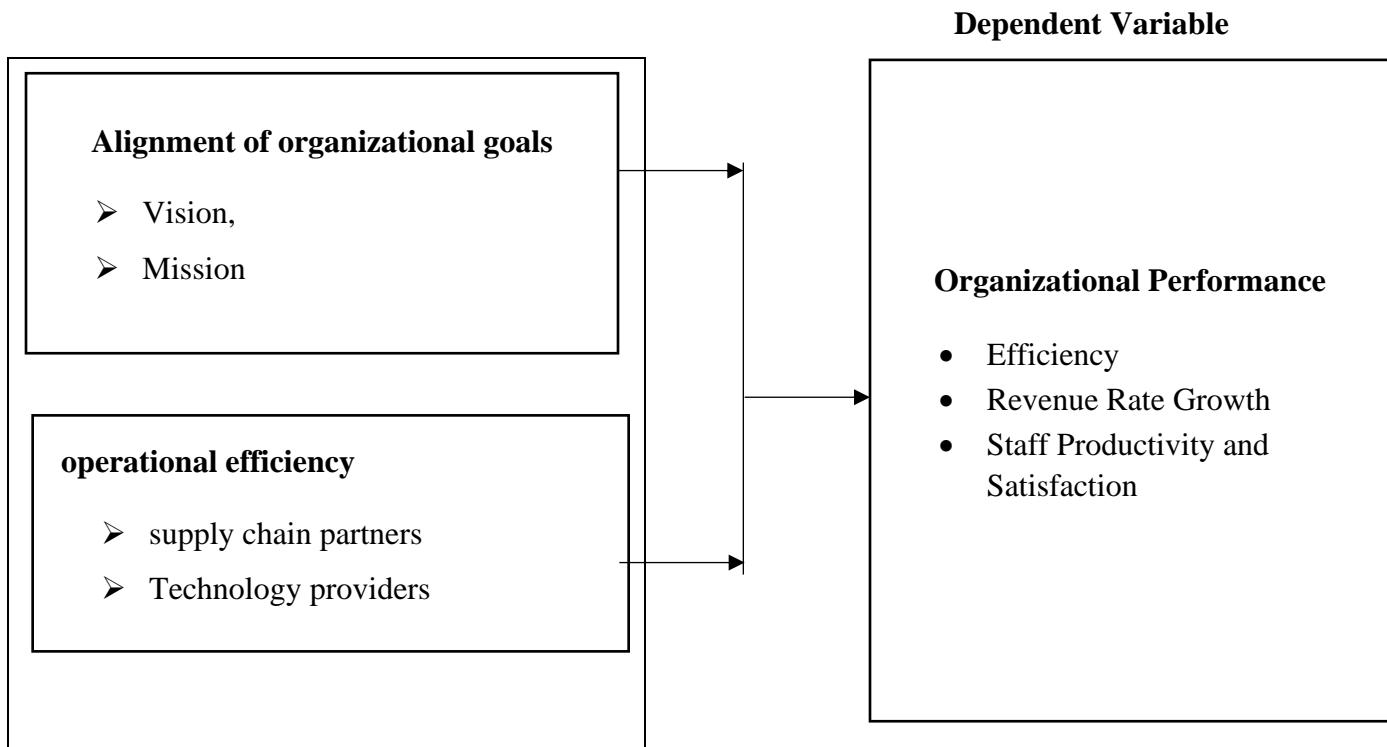
In the context of this study, Institutional Theory underscores how strategic partnerships become tools for legitimacy, performance improvement, and adaptability in a competitive health environment. Collaborations with technology providers, for instance, enable the adoption of electronic health record systems that streamline operations, minimize costs, and elevate patient care (Alolayyan et al., 2020). Likewise, partnerships with key stakeholders such as the National Hospital Insurance Fund (NHIF) or international donors increase access to resources and reinforce compliance with national healthcare standards (Okoroafor et al., 2022). These alliances allow private hospitals to respond effectively to external pressures and societal expectations, reinforcing their public image as credible, reliable, and patient-centered institutions. Thus, Institutional Theory strategically positions partnerships not merely as cooperative arrangements but as institutional mechanisms through which hospitals secure legitimacy, sustain growth, and enhance long-term performance outcomes.

1.1.4 Empirical Review

Empirical studies have highlighted the positive impact of strategic partnerships on organizational performance in healthcare settings. Mukhongo et al. (2023) examined strategic partnerships in the Kenyan broadcasting sector, finding that collaborations with technology providers and content creators enhanced operational efficiency and organizational performance, suggesting similar potential in healthcare. Lewis et al. (2017) investigated strategic alliances in U.S. healthcare under accountable care organizations, reporting that partnerships aligning organizational goals with those of partners improved resource sharing and service delivery, leading to better clinical outcomes and financial performance. In India, Purohit et al. (2021) found that strategic partnerships between private hospitals and diagnostic service providers enhanced operational efficiency, reducing costs and improving patient satisfaction. Closer to the study context, Mutia (2020) explored the determinants of satellite clinic performance in Nairobi, Kenya, noting that partnerships with community-based organizations and health insurers significantly improved revenue growth and staff productivity by aligning institutional goals with stakeholder expectations. These studies underscore the strategic importance of partnerships in enhancing hospital performance, providing a foundation for this study's focus on Kiambu County's private hospitals.

1.1.5 Independent Variables

Strategic Partnerships



Conceptual framework

3.0 Research Methodology

The study adopted a descriptive research design to examine the influence of strategic partnership initiatives on the performance of private hospitals in Kiambu County. This design was chosen for its ability to systematically describe relationships between variables and provide a comprehensive understanding of the phenomenon under study (Sekaran & Bougie, 2016). The target population comprised all level three and four private hospitals in Kiambu County, as classified by the National Hospital Insurance Fund (NHIF, 2017). A census approach was employed, engaging 248 respondents, including chief executive officers (CEOs)/managing directors, human resource managers, finance officers, and information technology (IT) managers, selected for their strategic roles in decision-making and partnership implementation. Data was collected using structured questionnaires featuring both open-ended and closed questions, designed to capture quantitative and qualitative data on strategic partnerships (alignment of goals, vision, and mission, and operational efficiency) and hospital performance (efficiency, revenue rate growth, and staff productivity and satisfaction). The questionnaires used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to measure respondent perceptions. To ensure the validity of the

data collection tools, content validity, construct validity, and face validity were established through expert reviews.

4.0 Findings

Table 1 Descriptive Analyses of Strategic Partnership

	N	Mean	Std. Deviation
The hospital has established strategic partnerships with other healthcare organizations.	211	4.303	.874
Strategic partnerships provide access to complementary resources and expertise.	211	4.337	.796
Partnerships are aligned with the hospital's goals, vision, and mission.	211	4.280	.758
The hospital has a process for evaluating the compatibility of potential partners.	211	4.251	.827
Strategic partnerships have improved the hospital's operational efficiency.	211	4.275	.840
Partnerships have enabled the hospital to offer a wider range of services.	211	4.218	.878
Strategic partnerships have positively influenced the hospital's financial performance.	211	4.194	.949
The hospital fosters effective communication and coordination with its partners.	211	4.185	.956
Valid N (listwise)	211		

The study assessed the influence of strategic partnership on the performance of private hospitals in Kiambu County, Kenya. The respondents were, therefore, required to respond to various statements regarding strategic partnership based on a Likert scale of agreement, which ranged from 1 (for strongly disagree) and 5 (for strongly agree). The findings showed that most respondents agreed that the hospital had established strategic partnerships with other healthcare organizations, considering the mean of 4.303, and a standard deviation of 0.874, which reflected a high variation in the perception of the participants about the matter. The findings, therefore, highlighted the prevalence of collaborative approaches within the healthcare sector. Most respondents agreed that strategic partnerships provided access to complementary resources and expertise based on a mean of 4.336 and a low standard deviation of 0.796, which indicated a high variation in the respondents' perception. This suggests that strategic alliances are instrumental in strengthening internal capacities and bridging resource gaps. With a mean of 4.280 and a high standard deviation 6.758, the findings indicated a high variation in the respondents' perception about the alignment of partnerships with the goals, vision, and mission of the hospital. This reflected a deliberate effort to ensure that collaborations are purpose-driven and support long-term institutional objectives. Previous findings, such as Tsai et al. (2020), agreed with proper partnerships. Electronic Health Records systems can strengthen the performance of hospital establishments.

Most respondents also agreed that the hospital had a process for evaluating the compatibility of potential partners, as shown by a mean of 4.251 and a high standard deviation (SD=0.82718). The finding indicated that hospitals were adopting a structured approach to partnership management to ensure synergy and minimize conflict. Besides, most respondents agreed that strategic partnerships have improved the hospital's operational efficiency, considering the mean of 4.275 and a high standard deviation of 0.840. This revealed that strategic partnerships were crucial for streamlining processes and optimizing service delivery in the hospitals. Similarly, Alorayyan et al. (2020) also found that health information technologies affect both performance and information quality, thereby suggesting that well-integrated systems that often require partnerships with IT vendors or tech providers positively influence hospital performance

The respondents agreed that partnerships had enabled the hospital to offer a wider range of services, considering a mean of 4.218 and a high standard deviation of 0.878. This reflected a high variation in the respondents' perception in the sense that partnerships expanded service offerings by leveraging partner capabilities and resources. Most respondents agreed that strategic partnerships had positively influenced the hospital's financial performance based on a mean of 4.194 and a high standard deviation of 0.949. This finding implied that partnerships contributed to cost-efficiency, resource sharing, and new revenue streams. Furthermore, most respondents also agreed that the hospital fostered effective communication and coordination with its partners considering a mean of 4.185 and a high standard deviation of 0.956. This indicated a high variation in the respondents' perception in the sense that effective communication and coordination was a critical factor in terms of reinforcing sound relationship management in partnership success. These findings concur with Malongo (2019) who noted that organizational IT integration and agility of infrastructure was important as forms of strategic collaboration between IT systems and hospital operations; thereby, supporting the integration that enhances performance.

The findings suggested that strategic partnerships were not only prevalent in private hospitals but also vital in enhancing the overall performance. Strategic partnerships facilitated resource sharing, service expansion, and strategic alignment. Besides, strategic partnerships fostered innovation and resilience in the hospitals. These findings, therefore, underscore the importance of intentional, well-managed partnerships in the evolving landscape of private healthcare in Kenya.

The respondents were asked how they evaluated the compatibility and performance of their hospital's strategic partnerships, and what factors they considered when selecting new partners. The qualitative responses reflected that the hospitals used various strategies to evaluate the compatibility and performance of the strategic partnerships of the hospitals. These included alignment in mission, vision, values, and strategic goals with the potential of the partners to provide complementary resources or expertise. The responses also highlighted the importance of due diligence, evaluation of past performance, financial stability, and adaptability to changing healthcare needs. Besides, operational efficiency, financial influence, and clear communication were also cited as essential indicators of successful partnerships. For instance, a respondent noted that:

"We evaluate potential partners by ensuring that their mission, vision, and values align with ours. This is important in ensuring the targeted partnership will be sustainable and mutually beneficial in the long term."

Another respondent claimed that:

"We have a structured evaluation process through which we assess the compatibility of potential partners through careful due diligence. This process often involves reviewing their past performance, reputation in the industry, and financial stability."

Besides, another respondent noted that:

"One key consideration when selecting new partners is their ability to adapt to changing healthcare needs. We, therefore, look for organizations that are flexible, and can evolve with the healthcare landscape. They should also be responsive to new challenges or opportunities."

The qualitative findings reflected the quantitative findings suggesting that hospitals in Kiambu County adopted a comprehensive evaluation process when selecting strategic partners. The findings revealed that one of the key strategies used in this case included assessing alignment in mission, vision, values, and strategic goals to ensure long-term sustainability and mutual benefit. However, due diligence, reviewing potential past performance of partners, financial stability, and adaptability to changing healthcare needs were necessary ensuring the success of strategic partnerships. Other critical factors include assessing operational efficiency, financial influence, and effective communication. The findings, therefore, implied that a systematic approach to partnership management involved and was not limited to prioritizing compatibility, flexibility, and the ability to adapt to dynamic healthcare demands of the hospital establishments.

Table 2: Descriptive Analyses of Performance of Private Hospitals

		N	Mean	Std. Deviation
The hospital has experienced an increase in patient admissions over the past three years		211	4.223	.927
The hospital has a high patient satisfaction rate		211	4.171	.946
The hospital has a low patient readmission rate.		211	4.180	.913
The hospital has experienced an increase in revenue over the past three years		211	4.270	.815
The hospital has a high profitability ratio (net profit/total revenue		211	4.066	1.017
The hospital has a high bed occupancy rate		211	4.299	.879
The hospital has a high employee satisfaction rate.		211	4.156	.990
The hospital has a low employee turnover rate.		211	4.237	.986
Valid N (listwise)		211		

The respondents were asked to respond to various statements regarding the performance of the private hospital based on a Likert scale of agreement, which ranged from 1 (for strongly disagree) and 5 (for strongly agree). The findings indicated that most respondents agreed that the hospital had experienced an increase in patient admissions over the past three years, as suggested by a mean of 4.223 and a high standard deviation $SD = 0.927$. This indicated a growing demand for their services and possibly enhanced public trust and reputation. Most respondents agreed that the hospital had a high patient satisfaction rate as indicated by a mean of 4.171, while a standard deviation of 0.946 reflected a high variation in the respondents' perception. Besides, most respondents agreed that the hospital had a low patient readmission rate as suggested by a mean of

4.180 and a high standard deviation of 0.913, which also indicated a high variation in the respondents' perception. These findings reflect improved quality of care, effective treatment procedures, and robust follow-up systems in the private hospitals. Similar findings were reported by Mutia (2020), who found that the quality of medical services, responsiveness, and infrastructure significantly influenced the performance of clinics

Furthermore, most respondents agreed that the hospital had experienced an increase in revenue over the past three years, as indicated by a mean of 4.270 and a relatively high standard deviation of 0.815, which showed a high variation in the perception of the participants. This increase in revenue implied that the hospitals were not only growing in capacity but were also financially sustainable. The findings also showed that a majority of the respondents agreed that the hospital had a high profitability ratio, net profit/total revenue, as shown by a mean of 4.066 and a standard deviation of 1.017, indicating a high variation in the respondents' perception. This finding further underlined sound financial management and effective operational strategies in the hospitals

Most respondents agreed that the hospital had a high bed occupancy rate based on a mean of 4.299, whereas a relatively high standard deviation of 0.879 showed a high variation in the opinion of the participants. This revealed that the hospitals were optimizing resource use and had the patient inflow to support full utilization of their infrastructure. Most respondents agreed that the hospital had a high employee satisfaction rate as suggested by a mean of 4.156 and a standard deviation of 0.990, which is a high variation in the respondents' perception. This indicated that the private hospitals had strong internal management practices, provided supportive work environments, and adopted effective human resource strategies. Besides, most respondents agreed that the hospital has a low employee turnover rate, as shown by a high mean of 4.237, while a high standard deviation of 0.986 revealed a high variation in respondents' opinions. In summary, the findings presented a picture of well-performing private hospitals that recorded growth in terms of patient volumes and financial strength. The successful combination of operational efficiency, high service uptake, quality care, and employee stability suggested that the hospitals had effectively implemented strategies that align organizational goals with patient and staff needs. The performance indicators outlined reflected the internal strengths of the hospitals; they also revealed the position of the hospitals to sustain long-term growth and competitiveness in the healthcare sector.

The respondents were asked to outline the key performance indicators. The qualitative responses indicated that some of the key performance indicators used by healthcare providers to enhance both patient care and operational efficiency included patient admissions, satisfaction, readmission rates, and service utilization. They tracked these indicators to optimize care delivery and resource allocation. The hospitals also used financial metrics such as revenue growth and profitability ratios to ensure sustainable operations. Other metrics included bed occupancy rates, which guided capacity management, whereas they also monitored employee satisfaction and turnover to maintain a motivated workforce. Additionally, the hospitals had established operational efficiency metrics, including wait times and length of stay, which were analyzed to streamline services. These performance metrics were essential for improving the overall patient experience, ensuring quality care, and maintaining financial and organizational health.

1.1.8 Conclusion

Conclusion

This study on the influence of strategic partnerships on the performance of private hospitals in

Kiambu County, Kenya, underscores the critical role of collaborative strategies in enhancing organizational outcomes. The findings confirm that strategic partnerships, particularly those emphasizing alignment of organizational goals, vision, and mission, and operational efficiency, significantly improve hospital performance metrics such as efficiency, revenue growth, and staff productivity. Guided by Institutional Theory, the research highlights how private hospitals leverage mimetic isomorphism to emulate successful practices, thereby gaining legitimacy and competitive advantage. The robust descriptive and inferential analyses, coupled with qualitative insights, reveal that well-managed partnerships facilitate resource sharing, service expansion, and innovation, positioning private hospitals to navigate the challenges of rising costs, competition, and technological advancements. These findings offer actionable insights for hospital administrators and policymakers, emphasizing the need for intentional, goal-oriented partnerships to ensure long-term sustainability and enhanced healthcare delivery in Kiambu County.

1.19 Recommendations

1. Strengthen Strategic Alignment in Partnerships

Private hospitals in Kiambu County should prioritize forming partnerships that align closely with their institutional goals, vision, and mission. Collaborations with entities such as the National Hospital Insurance Fund (NHIF) or international health organizations can enhance legitimacy and attract patients. To achieve this, hospitals should establish clear partnership agreements that outline mutual objectives and ensure sustained alignment, fostering long-term sustainability and mutual benefit.

2. Enhance Operational Efficiency through Technology Partnerships

Hospitals should invest in strategic partnerships with technology providers to adopt advanced systems like Electronic Health Records (EHR), which improve operational efficiency and service delivery. These partnerships should be supported by staff training programs to ensure effective utilization of technology, reducing costs and enhancing patient care quality, thereby strengthening overall hospital performance.

3. Foster Stakeholder Collaboration and Capacity Building

Private hospitals should actively pursue collaborations with community-based organizations, health insurers, and medical equipment suppliers to enhance resource access and operational efficiency. Additionally, hospitals should invest in training programs for managers to develop skills in negotiating and managing partnerships effectively. Regular evaluations of these partnerships will ensure they remain goal-oriented and deliver sustained performance improvements.

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