

The success of strategic planning in health care organizations of Iran

Health care organizations of Iran

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Abstract

Purpose – Although strategic planning promised to boost organizational performance, many health care managers found it difficult to implement it successfully. The purpose of this paper is to investigate the success of strategic planning in health care organizations of Iran.

Design/methodology/approach – This descriptive and cross-sectional study was conducted in 2016 using a valid and reliable questionnaire completed by 99 health care managers in Tehran province, Iran.

Findings – Strategic planning was positively related to organizational performance including employees' and patients' satisfaction and organizational productivity. However, strategic planning was moderately successful in enhancing organizational performance of Iranian health care organizations (score of 2.84 out of 5). The most and least success was observed in the planning and employee management constructs of organizational performance. Process management, organizational culture and customer management constructs had the most effect on the success of strategic plans in health care organizations.

Practical implications – Strategic planning is effective and provides a clear focused direction for health care organizations. Understanding the success factors of strategic planning would enable managers to develop more effective methods for developing, implementing and evaluating strategic plans in health care organizations.

Originality/value – This paper highlights the relationship between strategic planning and organizational performance and offers suggestions on how to develop and implement strategic plans to achieve higher organizational performance.

Keywords Iran, Health care, Successful implementation, Strategic plan

Paper type Research paper

Introduction

The health care environment is dynamic, complex, complicated and challenging. Health care organizations are nowadays faced with serious challenges, particularly concerning quality, effectiveness and efficiency (Mosadeghrad, 2005). Accordingly, health care managers and leaders should adopt new approaches to adapt their organizations with the changing internal and external environments and match the complexity of the health care industry. Strategic management is an appropriate response to these challenges and helps managers to take advantage of any changing environment and achieve optimum outcomes.

The English word strategy has a long history in military and politics. It comes from the Greek word *strategos*, meaning “generalship,” or the person who leads the army. It shows the art and science of a general to plan the destruction of one's enemies through effective use of resources (Swayne *et al.*, 2012). Strategy shows the long-term direction and scope of an organization in a changing globalized, turbulent and uncertain environment through its configuration of competencies and resources to achieve competitive advantage and meet stakeholders' expectations (Johnson, 2008).

Strategic management is a course of actions to achieve organization's vision and long-term strategic goals using rational, logical and systematic approach. It involves analyzing both internal and external environments of an organization to understand organization's strategic position, specifying its long-term direction, defining a clear vision, establishing realistic long-term goals and objectives, formulating strategies, tactics, policies and action plans to achieve them, allocating necessary resources to implement action plans and finally,



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evaluating organizational performance (Mosadeghrad, 2015). Managers through strategic management strengthen and mobilize their resources toward a desired defined future.

Strategic management enhances managers' awareness of external opportunities and threats and internal strengths and weaknesses, improves their understanding of the competitors' positions and strategies (Mosadeghrad, 2015), promotes communication between managers and employees (David, 2011), increases employees' productivity (David, 2005), improves organizational competitiveness and profitability (David, 2011) and strengthens its market position (Pearce and Robinson, 2007).

Strategic management is the process of strategy formulation, implementation and evaluation (Mosadeghrad, 2015). Strategy formulation is concerned with determining the organization's mission, vision, goals and objectives, and formulating appropriate strategies, tactics and action plans to achieve them. Strategy implementation is about allocating resources for implementing action plans, adjusting organizational structure and culture to fit the strategies and leading the changes required for achieving the goals and objectives. Finally, strategy evaluation is concerned with measuring organizational performance against defined strategic goals and objectives and applying necessary corrective actions to ensure the efficacy of strategies (Mosadeghrad, 2015).

The first phase of strategic management is strategy formulation or strategic planning. Strategic planning has been widely used in a variety of companies and firms for achieving competitive advantage since 1950s. Successful implementation of strategic plans results in better organizational performance (Akinyele and Fasogbon, 2007; Glaister *et al.*, 2008 Aldehayyat and AlKhattab, 2013) and economic success (Kaissi *et al.*, 2008; Kalkan and Bozkurt, 2013). Organizations using strategic plans are more productive and profitable than those that do not.

The volatile health care market, dynamic and complex structures and cultures, rapidly changing medical technologies, informed and demanding customers, skilled and professional competitors and resource limitation (Swayne *et al.*, 2006; Mosadeghrad, 2014a, b) create an environment that strategic plan would be a valued and useful tool for achieving competitive advantage. Strategic planning is necessary for health care managers to provide quality, safe, effective and affordable services. However, the health industry has lagged behind other industries in formulating and implementing strategic plans. Since 1980, health care managers have developed and implemented strategic plans to provide value-added services and meet the diverse needs of the population. Previous studies confirmed the positive impact of strategic planning on health care organizations' performance (Devitt *et al.*, 2005; Sollenberger, 2006; Virtue *et al.*, 2013). For instance, strategic planning in a hospital in USA improved patient satisfaction, reduced employees' turnover and increased profit (Sollenberger, 2006).

Although strategic planning is expected to benefit organizations, its application in practice involves many difficulties. Some studies revealed that organizations fail to implement up to 70 percent of their strategic plans (Johnson, 2004; Miller *et al.*, 2004). Some studies illustrate low success rate (only 10–30 percent) of strategies (Waterman, *et al.*, 1980; Raps and Kauffman, 2005). The situation is even worse in health sector. Many health care managers faced difficulties in implementing their strategic plans (Adams, 2005; Mihic *et al.*, 2012). Some obstacles to effective strategic planning include lack of top management's commitment, inadequate knowledge, vague strategies, misallocation of resources, corporate culture, lack of teamwork, resistance to change, politics within organization and insufficient operational measures (Casella, 2002; Murphy *et al.*, 2012).

Iranian health care managers began developing and implementing strategic plans since 2000 to improve the productivity of their organizations. While the success of strategic plans was studied especially in general industries and in developed countries, the impact of strategic plans in Iranian health sector has not been fully addressed. Hence, this study aims to examine the success of strategic planning in Iranian health care organizations.

Method

Purpose and objective

The purpose of this study was to measure the success of strategic plans developed in Iranian health care organizations. Furthermore, the critical success factors of strategic planning were identified. Finally, recommendations were provided to help health care managers formulate and implement appropriate strategic plans to achieve business excellence.

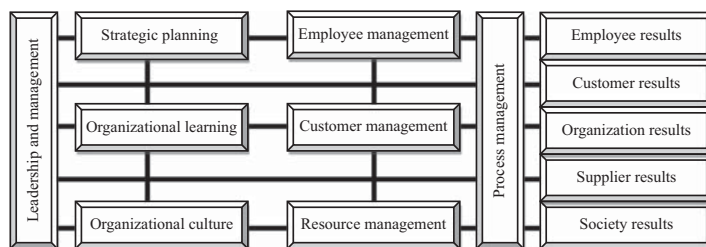
Design and method

It was decided to use a quantitative and deductive approach for such a research. This study was carried out in health care organizations in Tehran province, the capital of Iran, in 2016. These organizations include both public and private hospitals and health centers.

A questionnaire was developed for data collection. The questionnaire had three sections. The first and second parts of the questionnaire dealt with respondents' demographic and organizations' profile variables. The third part of the questionnaire examined the impact of strategic plans on nine dimensions of health care organizations' performance using 36 items. A six-point Likert scale was used to measure the responses to each item (0 = no effect, 1 = very low, 2 = low, 3 = medium, 4 = high, 5 = very high). The questionnaire was developed according to earlier work by Mosadeghrad (2013a, b) (Figure 1).

The validity of the questionnaire was confirmed by experts in the field of strategic management and planning in health sector and its internal consistency reliability was evaluated using Cronbach's α coefficient (Table I).

All health care organizations that developed and implemented strategic plans in Tehran province received the questionnaire and were asked to participate in the study. Overall 110 questionnaires were sent. The senior managers of health care organizations were asked to complete the questionnaire as they were the best persons who had complete knowledge of formulating and implementing the strategic plans and realizing organizational performance.



Source: Mosadeghrad (2013a, b)

Figure 1.
A conceptual framework of strategic management

Organizational constructs	Item numbers	Number of items	Cronbach's α (%)
Management and leadership	1-4	4	87
Strategic planning	5-8	4	79
Organizational culture	9-12	4	79
Organizational learning	13-16	4	71
Employee management	17-20	4	84
Customer management	21-24	4	83
Resource management	25-28	4	86
Process management	29-32	4	83
Organizational performance	33-36	4	84
Overall strategic planning success	1-36	36	94

Table I.
Internal consistency

Data analysis was performed using the Statistical Package for the Social Sciences software, version 19.0. Descriptive statistics such as means and standard deviations were computed for each of the questionnaire items. The mean score of strategic planning success varied between 0 and 5. An average score of 1 or less indicates a very low success rate, scores between 1 and 1.99 represent the low success rate, scores between 2 and 2.99 represent the average success rate, scores between 3 and 3.99 indicate a high success rate and scores of 4 or higher indicates very high success rate. Thus, the research hypotheses were:

H_0 . $\mu < 3.00$ (strategic plan is not successful).

H_1 . $\mu \geq 3.00$ (strategic plan is successful).

Single-sample *t*-test was performed to determine the success rate of strategic planning. The relationship between study variables were examined using Pearson's and Spearman correlation coefficients. Stepwise regression analysis was used to identify the most important predictor domains in overall strategic planning success.

This study was approved by the Ethics Committee of Tehran University of Medical Sciences. The main ethical issues were anonymity and confidentiality of the questionnaires and the respondents' right to self-determination. The questionnaires were distributed among participants with a participant information sheet, explaining the nature of study. The consent was taken verbally from the participants.

Results

In total, 99 questionnaires were received (90 percent response rate). Of them, 93 organizations were hospitals and the remaining were health centers. Almost 68.7 percent of organizations were public. The average number of hospital beds was 193 beds (min. 39 and max. 1,100 beds). Health care organizations had 510 employees in average.

Health care organizations mostly developed strategic plans as they were asked to do by the authorities (69.7 percent). Almost 30.3 percent of organizations developed and implemented the strategic plans as they felt a necessity for doing so. It took in average 4 months (min. 1 and max. 12 months) for managers to formulate strategic plans. Health care organizations in average implemented strategic plans for 2.4 years (min. 1 and max. 5 years). Only ten organizations had a consultant for strategic planning.

Managers mostly reported more problems in implementing strategic plans (86.9 percent) rather than in formulating the plans. Employees and managers had moderate participation in the formulation and implementation of strategic plan with an average score of 51.5 and 41.4 percent, respectively. Physicians' commitment and involvement was very little (47.5 percent) in strategic planning process.

The mean score of strategic planning implementation success in health care organizations was 2.84 out of 5 score (medium). The sample mean of 2.84 is lower than the hypothesized value of 3.0. A *p*-value of 0.018 was determined which suggests that the null hypothesis is accepted (one-sample *t*-test). Therefore, it can be concluded that strategic planning was moderately successful in Iranian health care organizations. Strategic plan was moderately successful in 45.5 percent of health care organizations (Table II).

The most and least success was observed in the planning and employee management constructs of the health care organizations' performance. Strategic planning was more successful in pursuing long-term organizational goals (3.21), employees involvement in developing realistic operational plans (3.28), employees' education and training (3.22), handling customers complaints (3.22), having necessary resources for delivery of services (3.11), developing and implementing strategic plans (3.08), employees' commitment for satisfying customers (3.08) and measuring organizational performance (3.06). However,

strategic planning was less successful in creating a culture of creativity, and innovation (2.35), measuring suppliers' performance (2.44), paying attention to human resources (2.51), employees' performance appraisal (2.55), improving managers and employees' relations (2.56) and developing trust between them (2.59).

Stepwise regression analysis indicates that process management, organizational culture and customers' management explained 89 percent of variations in the success of strategic plans in health care organizations. Creating a continuous quality improvement culture, improving organizational productivity, improving relationship between employees and managers, formulating realistic operational plans, measuring organizational performance, employees' commitment for satisfying customers, developing process management systems and evidence-based management had the most effect on the success of strategic planning.

The rate of success in management and leadership construct due to implementing strategic plans was high and very high in about 53.6 of surveyed health care organizations. The most success in this construct was in top managers' accountability and responsibility (2.95). Effective leadership and top managers' accountability and responsibility had the largest impact on the success of this construct, respectively. Implementing strategic plan successfully improved the planning construct in 61.6 percent of health care organizations. The most success in this construct was observed in formulating realistic operational plans (3.28). Pursuing long-term organizational goals and employees' active involvement had the most effect on the success of planning construct.

Strategic planning improved successfully organizational culture in about 42.4 percent of health care organizations. The most success in this construct was reported in creating a cooperating culture (2.94). The success in organizational culture was mostly influenced by emphasizing on continuous quality improvement and creativity and innovation. Organizational learning construct was successfully improved in 42.4 percent of health care organizations due to implementing strategic plan. The most success in this construct was reported in providing training (3.22). Developing educational programs according to employees' needs and measuring the effectiveness of employees training on their performance strongly affected the success of organizational learning construct.

Strategic planning was successful in enhancing employee management construct in 33.3 percent of health care organization. Improving relationship between employees and managers had the most success in this construct (2.56). Improving relationship between employees and managers and paying attention to human resources had the most effect on the success of employee management construct. Customer management in 65.7 percent of health care organizations was successfully improved due to strategic planning and implementation. Managing customers' complaints received the highest score in this construct (3.22). Registering and investigating customers' complaints and identifying and understanding customers' needs had the largest impact on the success of customers' management construct.

Organizational constructs	Very low	Low	Medium	High	Very high	Mean	SD
Management and leadership	9.0	7.1	30.3	38.4	15.2	2.82	1.02
Planning	-	11.1	27.3	38.4	23.2	3.14	0.96
Organizational culture	3.0	18.2	36.4	36.4	6.0	2.66	0.85
Organizational learning	1.0	10.1	46.5	32.3	10.1	2.80	0.82
Employee management	11.1	10.1	45.5	23.2	10.1	2.50	0.97
Customer management	3.0	9.1	22.2	45.5	20.2	3.08	0.91
Resource management	2.0	15.2	23.2	52.5	7.1	2.81	0.84
process management	3.0	8.1	29.3	47.5	12.1	2.87	0.85
Organizational performance	7.1	10.1	21.2	50.5	11.1	2.90	0.92
Overall strategic planning success	-	13.1	45.5	36.4	5.0	2.84	0.66

Table II.
Success factor of strategic planning implementation

The “resources management” construct of 59.6 percent of health care organizations was enhanced due to strategic plan implementation. Having necessary quality resources achieved the highest score in this construct (3.11). Effective resource maintenance and resource utilization had the most effect on the success of “resources management” construct. In 47.5 percent of health care organizations, the “processes management” construct was successfully improved as a result of strategic planning implementation. Performance monitoring and evaluation received the highest score in this construct (3.06). Developing a processes management system and performance monitoring and evaluation had the most impact on process management success.

Strategic planning improved the organizational performance in 50.5 percent of health care organizations. Improving organizational productivity received the highest score in this construct (2.98). Improving employees, customers and society satisfaction received 2.78, 2.94 and 2.91, respectively, out of 5 score due to implementing strategic plans in health care organizations. Improving customers’ satisfaction and employees’ satisfaction had the largest effect on the success of “organizational performance” construct. Successful health care organizations in strategic planning achieved better performance (Table III).

As it is shown in Table IV, strategic plan was significantly correlated with all nine dimensions of organizational constructs at 0.01 levels. The most and least correlation were observed between strategic planning success and organizational culture (0.810) and customer management (0.523).

Significant statistical correlation was also observed between strategic planning implementation and managers’ commitment ($p = 0.0001, r = 0.441$), employees’ involvement ($p = 0.0001, r = 0.360$) and physicians’ participation ($p = 0.001, r = 0.340$). A significant relationship was also found between strategic planning and using strategic planning consultants at the 0.05 level. The success of strategic planning in those health care organizations that had consultant was 3.29 ± 0.74 and without a consultant was 2.79 ± 0.64 . There was no statistical correlation between the success of strategic plans and the duration of strategic planning implementation ($p = 0.750, r = 0.032$).

Table III.
Success factors of organizational performance

Organizational performance	Strategic planning success			
	Low	Medium	High	Very high
Employee satisfaction	1.75	2.53	3.22	4.40
Customer (patient) satisfaction	1.76	2.64	3.50	4.60
Society satisfaction	1.76	2.77	3.36	3.80
Organizational productivity	1.77	2.67	3.61	4.40
Overall organizational performance	1.76	2.66	3.42	4.30

Table IV.
Inter-correlations between strategic planning success and organizational constructs

	1	2	3	4	5	6	7	8	9
1. Management and leadership	-								
2. Planning	0.601	-							
3. Organizational culture	0.594	0.492	0.594	-					
4. Organizational learning	0.532	0.375	0.766	0.658	-				
5. Employee management	0.527	0.354	0.628	0.415	0.629	-			
6. Resource management	0.474	0.333	0.604	0.497	0.543	0.575	-		
7. Customer management	0.443	0.390	0.217	0.337	0.302	0.280	0.380	-	
8. processes management	0.612	0.507	0.500	0.342	0.449	0.583	0.381	0.661	-
9. Organizational performance	0.570	0.572	0.594	0.532	0.527	0.443	0.474	0.612	0.572
10. Overall strategic planning success	0.808	0.670	0.810	0.703	0.783	0.740	0.523	0.778	0.757

Discussion

This study aimed to examine the success of strategic planning in Iranian health care organizations. Using strategic plans was not common in health centers. Hospitals basically used strategic plans as a prerequisite of accreditation system. The findings showed that strategic planning was moderately successful in Iranian health care organizations. The most and the least success was observed in planning and employee management constructs, respectively. Process management, organizational culture and customer management had the most effect on the success of strategic plans.

Similarly, Saleh *et al.* (2013) in a sample of 79 hospitals in Lebanon concluded that hospital strategic plans were moderately developed (mean score of 4.9 on a 1–7 scale) and implemented (score of 4.8). Top managers involvement in the strategic planning process was moderate (score of 5.1) and physician involvement was low (score of 4.1).

Management and leadership are key drivers of effective strategy formulation and implementation (Jooste and Fourie, 2009; Azhar *et al.*, 2013; Mosadeghrad, 2014c). Top-down authoritative leadership style must be replaced with a more democratic and participative style that allows employees' participation in strategic planning. Top managers as leaders should create a unique shared vision, inspire excellence, articulate strategic goals for employees, commit necessary resources, manage change and lead employees to achieve strategic goals and attain good performance. Data showed that strategic planning was moderately successful in enhancing leadership and management in Iranian health care organizations. The link between management and leadership and strategic planning is reciprocal. While good leadership and management assure effective formulation and implementation of strategic plans, the process of strategic planning should enhance leadership and management throughout the whole organization. Leadership commitment for performance improvement and managers' accountability are critical in strengthening leadership and management and indeed should be emphasized in the strategic planning process through formulating appropriate goals, objectives, strategies and actions. Enhancing managers' leadership skills through education and training is also helpful.

Key managers should be involved in strategy formulation and implementation. Top and middle managers' commitment and participation in strategic planning are critical for motivating and engaging front-line managers and employees, generating new ideas needed for developing action plans, building decision consensus and commitment and improving organizational performance (Brenes *et al.*, 2008; Schaefer and Guenther, 2016). A lack of managers' commitment and active participation in strategic planning results in various challenges in strategy implementation.

Almost 70 percent of health care organizations in this study had strategic plans because they were asked to rather than feeling a need for it. Formulating strategic plans is mandatory for Iranian hospitals as it is asked by the national accreditation program which is governmental and compulsory. In other word, having a strategic plan was an action to fulfill accreditation requirements rather than a means to improve performance. As a result, strategic planning in most Iranian health care organizations was down-top to produce plans that sit on a shelves. The strategic planning has been delegated and quality managers were asked to develop strategic plans. Therefore, it did not secure managers' commitment and involvement. Managers should understand that the strategic planning should produce results not plans and view it as a tool to enhance organizational performance.

As a result, most health care organizations had a strategic plan. There was a culture of copy and paste of strategic plans. While employees' active involvement in strategic planning process and pursuing long-term organizational goals are crucial for the success of planning, some managers just formulate strategic plans with the participation of a limited number of selected managers. Particularly, in hospitals, due to the necessity of having a strategic plan due to the accreditation standards, having a strategic plan was more

important than formulating a context-specific strategic plan and implementing it thoroughly. Managers must be trained in strategic planning formulation and implementation. They should understand the principles of strategic planning and have the skills and the knowledge to implement it. They should be committed to strategic plan implementation and provide the resources needed for its implementation. Top managers should prioritize important organizational issues, establish strategic goals and allocate resources to the areas that bring the greatest return for the organization. Subsequently, they should choose well-focused strategies that make their organizations differentiated in the competitive market. Finally, suitable action plans should be developed and employees should be assigned responsibilities for implementing them (Mosadeghrad, 2015). They should be accountable for progress.

Organizational culture plays a crucial role in the success of strategic planning (Brenes *et al.*, 2008; Crittenden and Crittenden, 2008; Kiptoo and Mwirigi, 2014). There should be compatibility between organizational culture and the strategy (Mosadeghrad, 2006). A culture supporting strategy's core principles and values results in successful strategy implementation. Top managers should either choose a strategy which is compatible with organizational culture or change the organizational culture according to the basic principles and values of the formulated strategy. Inconsistencies between organizational culture and the strategy can lead to employees' demotivation and resistance in strategy implementation phase. Managers should create a corporative culture and support employees' participation in strategic plan formulation and implementation. Therefore, managers should establish some objectives in strategic plans to strengthen organizational culture. This study showed that strategic planning promoted a cooperating culture in Iranian health care organizations. However, further actions should be taken to develop a culture of continuous improvement, creativity and teamwork.

The success of strategic plans also depends on well-trained and committed employees who participate fully in strategy formulation and implementation. Education and training of all employees are also important for successful implementation of strategic plans (Hrebiniak, 2005). Employees' lack of knowledge of the strategy and action plans may result in poor implementation of the strategic plan and poor performance (Crittenden and Crittenden, 2008). Therefore, some objectives regarding employees' education and training should be incorporated in the strategic plans. Ongoing education and training assure that employees possess capabilities and skills needed for implementing strategic plans. Employees should be encouraged to take more responsibility and perform the allocated tasks for achieving organizational goals and objectives. Employees' participation should be reinforced by the right recognition and reward programs to facilitate the achievement of organizational goals. Strategic plan in this study improved organizational learning in health care organizations.

Employees are the key driving forces in an organization who should implement the changes. The productivity of organizations depends to a great extent on employees and their coherent effort to achieve organizational goals. Employees' involvement in strategic planning and commitment to strategic goals are the prerequisites for their active participation in implementing action plans (Abdallah and Langley, 2014). The findings of this study revealed that hospital managers and particularly employees had moderate participation in the formulation and implementation of strategic plans. However, physicians had very little participation in the formulation and implementation of the strategic plans. Developing a participative and teamwork culture is necessary for encouraging employees' participation in strategic formulation and implementation. The right managers and employees with the right skills and competencies should be involved in implementing strategic plans. Managers should be committed to employees if they would like employees to be committed to the organization.

Physicians are the key players in health care organizations. They play crucial role in facilitating or impeding strategic plans' implementation. Their participation in strategy formulation and implementation is critical (Schwartz and Pogge, 2000; Begun and Kaissi, 2005). Thus, it is very important to get clinicians and health care professionals involved in the strategic planning process. The effects of strategic plans are very low without their involvement and commitment. However, involving them in strategic planning is challenging (Schwartz and Cohn, 2002; Saleh *et al.*, 2013). Physicians perceived strategic planning in Iranian health care organizations as another passing managerial fad. They will be more involved in strategic planning activities if they realize its benefits. Physicians would like to see the tangible effects of implementing strategic plans especially in terms of their patients' satisfaction. Getting senior and respected physicians involved in strategy formulation may encourage other physicians' participation in implementing strategic plans. Managers must develop systems to encourage and reward physician commitment and participation through training and financial incentives.

Strategic planning involves high cost, effort and time. Effective resource management is necessary for the success of strategic plans (Conneely, 2010; Kono and Barnes, 2010). Inadequately budgeted action plans lead to the failure of the strategic plans. Most Iranian public health care organizations use public budget and they have a little freedom in resources allocation. As a result, managers are not flexible in allocating resources to various strategic goals and action plans. Strategic planning demands strategic thinking, forecasting, fore sighting, risk taking and creativity. Managers should be trained and empowered enough to formulate and implement appropriate strategies for enhancing organizational performance.

The aim of strategic planning is to achieve competitive advantage through better serving the customers. Delivery of quality services in health care organizations depends on the customers' involvement. Therefore, customers should be considered at the center of the strategic planning process. A few objectives related to customer relationship management should be included in the strategic plan. Managing and improving processes should be incorporated in the strategic goals and objectives of health care organizations. Determining and standardizing key processes in health care organizations and monitoring and improving processes by employees using the systems approach are helpful for the success of strategic plans.

The findings showed that strategic planning moderately improved organizational performance. The most success was observed in operational performance and patient satisfaction. Similarly, Saleh *et al.* (2013) found a positive link between strategic planning and hospitals performance. However, strategic planning was not very successful in enhancing employees' satisfaction. The strategic planning process should be managed in a way that achieves significant benefits for the organization to motivate and encourage managers and employees to continue their effort in strategy implementation. Thus, health care managers should have goals related to the employees' relationship management if they expect higher success rates of their strategic plans.

In most of the studied health care organizations, the most problems were reported in implementing strategic plans in health care organizations. One reason could be that managers know more about the strategy formulation than implementation (Hrebiniak, 2006). There are only a limited number of conceptual models for implementing strategic plans. Complex and complicated health care organizations require a management system to succeed. Mosadeghrad (2013a) developed a management model for achieving business excellence in health care organizations (Figure 1). The proposed model starts from the logical point of leadership and management and ends with overall organizational performance. The belief is that excellent organizational performance is achieved through leadership and management, planning, organizational culture, organizational learning,

employee management, customer management, resource management and process management. Therefore, for strategic plan to be successful in improving organizational performance, it should enhance the aforementioned organizational enablers. Therefore, it is suggested to establish at least one goal for each of those nine organizational constructs in the strategic plans.

Process management, organizational culture and customer management constructs had the most effect on the success of strategic plans in Iranian health care organizations. Creating a continuous quality improvement culture, employees' relationship management, formulating realistic operational plans, measuring organizational performance, employees' commitment, developing a process management systems and fact-based management were more related to the success of strategic plans in health care organizations.

Conclusions and recommendations

The effects of strategic planning on organizational performance were studied in a sample of Iranian health care organization. Furthermore, a conceptual model of management and organizational performance was confirmed empirically in this study. While strategic planning is a tool for achieving organizational goals, some managers consider it as a goal. As a result they just formulate a strategic plan and pay less attention to the quality of the plan and its proper implementation. Consequently, we see that in spite of many health care organizations in developed countries where implementing strategic plans are linked to positive organizational performance, in those health care organizations that strategic planning is treated as a goal, there will be no considerable success. Furthermore, implementing a strategic plan without upgrading the organizational structures, culture and processes may result in less improvement in performance and early abandonment of the strategic plan. Finally, lack of an appropriate model to guide managers and staff in implementing strategic plans is also a contributor to the strategic planning failure. Thus, there is a need for a comprehensive model for formulating and implementing strategic plans to improve health care organizational performance.

This study was conducted in health care organizations located in the capital of Iran. Thus, despite its contributions, the results need to be interpreted with caution. These findings should be validated in other health care organizations. Conducting similar studies in health care organizations of other countries would give a better view of the success of strategic planning in health care organizations. Future studies may also want to look at the challenges of formulating and implementing strategic plans in health sector.

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