EBHPME

Website: http: jebhpme.ssu.ac.ir
EBHPME 2022; 6(4): 227-34 EISSN: 2538-4716

ORIGINAL ARTICLE

Evidence Based Health Policy, Management & Economics

Success Rate of Strategic Planning: A Case Study of a Medical Science University in Southeast Iran

Parvaneh Isfahani [1], Mahnaz Afshari [2,3*], Adnan Miri [1], Ehsan Shanavazi [1], Marzieh Arefy [1], Javad Shahreki [1]

[1] Department of Health Services Management, School of Public Health, Zabol University of Medical Sciences, Zabol, Iran
[2] Student Research Committee, Saveh University of Medical Sciences, Saveh, Iran
[3] Social Determinants of Health Research Center, Saveh University of Medical Sciences, Saveh, Iran

ARTICLEINFO

Article History:
Received: 22 Jun 2022
Revised: 5 Sep 2022
Accepted: 27 Nov 2022

***Corresponding Author:**
Mahnaz Afshari
Student Research Committee, Saveh University of Medical Sciences, Saveh, Iran.

Email:
Mahnazafshar89@gmail.com

Tel:
+98-9128680624

ABSTRACT

Background: Successful implementation of strategic planning can can play an important role in improving the performance of organizations. This study aims to determine the success rate of strategic planning at a Medical Science University in Southeast Iran.

Methods: This descriptive-analytical study conducted at the Zabol University of Medical Science in southeast Iran in 2018. 168 top-level, middle-level, operational managers and employees were involved in the strategic planning process. They were randomly selected by stratified sampling method. Data were collected using a standard questionnaire and analyzed by proper statistical tests in $SPSS_{19}$ software.

Results: Strategic planning implementation was moderately successful at Zabol University of medical science (score 2/99 out of 5). The highest success was observed for leadership and management, planning dimensions, and the least belonged to the domains of employees' management and organizational learning. Leadership and management, planning, and organizational culture constructs had the greatest effect on the success of strategic plans.

Conclusion: The success rate of strategic planning at this university was average. Therefore, health managers and policymakers must take action for its successful implementation in universities.

Key words: Strategic planning, Success, University, Iran

Citation

This paper should be cited as: Isfahani P, Afshari M, Miri A, Shanavazi E, Arefy M, Shahreki J. **Success Rate of Strategic Planning: A Case Study of a Medical Science University in Southeast Iran.** Evidence Based Health Policy, Management & Economics. 2022; 6(4): 227-34.

[DOI: 10.18502/jebhpme.v6i4.11535]

Introduction

Healthcare organizations are complex systems playing a significant role in providing health promotion and maintenance. One of the goals of these organizations is to address the clinical and non-clinical needs of communities (1, 2). These organizations are faced with various challenges including demographic, epidemiological, and lifestyle changes, rising public demands, changes in the healthcare market, medical technology, policies and regulations, and lack of resources. Managers of these organizations must adapt to these changes and employ appropriate strategies to achieve higher effectiveness and efficiency. Planning plays a key role in achieving the desired performance and effectiveness in healthcare organizations (3).

Planning is the process of selecting the right goals and the right ways of achieving them. It is one of the key functions of management and involves setting organizational goals, objectives and the actions needed to achieve them. It is crucial to the success and productivity of any organization. A good plan can enhance organization's purposefulness, resource allocation, coordination, control, and time management. Plans can be divided into three categories based on their role in gaining competitive advantages: strategic, tactical, and operational plans (4). Since traditional planning can no longer respond to the fast and complex developments in today's environments, new planning techniques such as strategic planning have attracted the attention of managers in different organizations, including universities.

Strategic planning prepares the organization for appropriate and timely responses to internal and external changes; thus, making it more dynamic. Strategic planning is the process of defining the organization's strategy or direction and making decisions on resource allocation to pursue this strategy and gain a competitive advantage.

It provides a blueprint to achieve the goals of an organization. When creating a strategic plan, there are determined objectives that the organization is trying to achieve during strategic plan execution (5).

A strategic plan is a document used to address the goals of organizations, the actions needed for achieving those goals, and other critical elements created during the execution of plan (6). It helps managers to evaluate the organization's long-term goals, mission and vision, communicate the organization's direction to the employees, create structural change if needed, mobilize resources, and lead the employees in a coordinated fashion toward achieving the organization's goals. Strategic planning allows for using of the organization's maximum capacity and produces products or services which create the highest value for customers (1).

Strategic planning is essential for health managers to provide quality, safe, effective, and affordable services. There are various frameworks for strategic planning; however, there are no fixed rules about the right framework. Most of these frameworks follow a similar template and have common attributes (6).

The word 'strategy' has a long history in political and military science. It is taken from the Greek word 'strategos', meaning 'military leader' or 'general'. Strategy is a set of actions that an organization uses to achieve its strategic goals and gain competitive advantages (7). The purpose of strategies is to maximize the organization's strengths. The strategy reflects the long-term direction of the organization and how organizational resources and skills are used to remain competitive. However, strategic planning is not just used for competitive environments. It is also useful for organizations that are faced with various internal problems. It helps managers exploit external opportunities to overcome the weaknesses and reinforce the strengths of their organization (8).

The National Evaluation and Accreditation Agency of Iran has highlighted the importance of developing a strategic plan for medical universities of Iran (1). As a result, since 2012, almost all medical universities in the country have been required to have a strategic plan in place. These plans have mostly been developed and employed without feasibility analysis. For example, several studies conducted in Iran have shown that healthcare organizations have had average performance despite having

[DOI: 10.18502/jebhpme.v6i4.11535]

a strategic plan (9-12). A study in 2016 evaluated the success rate of strategic plans of Tehran hospitals using a questionnaire and showed that this success rate is average.The results of Raps (13) and Raps and Kauffman (14) showed that the success rate of the studied organizations varied from 10 to 30 % .

Strategic planning can be one of the most misconceived and poorly used tools in most organizations (6). This indicates that strategic plans are either not developed or poorly implemented. Strategic plans are often large documents with detailed plans developed over months with a lot of effort (6).

Failure to effectively implement strategic plans can be costly, waste resources, and reduce employees' motivation. A study on 225 U.S. firms in 2003 showed that the annual strategic plan for a typical U.S. company requires 10.50 days of work for about 22 % of that company's employees. An average company spends $3.1 million to produce a strategic plan (15). In addition, employees may lose their trust in management systems and resist change in the organization.

Despite the implementation of strategic planning in Iranian medical universities for several years, there is very little information available about the success rate of these plans. Therefore, the purpose of the present research was to determine the success rate of strategic plans of a medical university in Southeast Iran. The results can increase the chances of successful implementation of strategic plans in these organizations, which will eventually improve their performance.

Materials and Methods

This descriptive-analytical, cross-sectional study was conducted at Zabol University of Medical Sciences in Southeast Iran in 2018. A standard three-part questionnaire was used to collect data. The first part consisted of 6 items related to the demographic characteristics of participants, and the second part consisted of 2 closed items related to the organization. The third section consisted of 27 items that measured the effect of strategic planning on performance. The conceptual model of quality of care proposed by Mosadeghrad (2015) was used to measure performance (16). Performance was measured in 8 domains including leadership and management, planning, organizational culture and learning; employee, customer, resource, and process management. The items were rated on a 6-point Likert scale from 0 ('no effect') to 5 ('very high'). The validity of the instrument was established by a panel of experts in the field of management and its reliability was 0.94 through Cronbach's alpha (16). However, to ensure the accuracy of these findings, the authors distributed the questionnaire randomly among 20 participants, and a Cronbach's alpha of 0.92 was obtained.

The study population consisted of top-level, middle-level, operational managers, and employees involved in the strategic planning process at Zabol University of Medical Sciences. Participants were selected from various deputeis including deputy of health, medicine, development and resources, research and technology, education, food and medicine, culture, and student affairs. The Census method was used to select the participants. Finally, 168 individuals participated in this research.

Data were analyzed in $SPSS_{19}$, and descriptive statistics (e.g. mean and standard deviation) were calculated for each of the items. One-sample t-test was used to measure the success rate of strategic plans, and regression analysis was used to examine the effect of success factors. The mean score of strategic planning success varied between 0 and 5. A mean score of 1 or less indicated a very low success rate; between 1 and 1.99 indicated a low success rate, between 2 to 2.99 showed an average success rate, between 3 and 3.99 indicated a high success rate, and scores of 4 or higher indicated a very high success rate. The study was approved by Zabol University of Medical Sciences, Zabol, Iran (IR.ZBMU.REC.1397.182).

Results

Table 1 provides the characteristics of the participants. As the data show, the majority of them were male (52.50 %), married (73.20 %), had a bachelor's degree (49.50 %), and 5-10 years of work experience (35.70 %). The participants had been in-

[DOI: 10.18502/jebhpme.v6i4.11535]

volved in strategic planning at various departments of the medical university for an average of 3.60 years.

47.60 % of the participants considered the mandate of the Ministry of Health through the national clinical governance and accreditation plans as the main reason for the hospitals in adopting strategic planning. On the other hand, 39.30 % of the participants believed that strategic planning was adopted due to the needs of various departments. The average success rate of the university in implementing the strategic plan was 2.99 out of 5. This is less than the value specified in the hypothesis (i.e. 3.00), and the results of the one-sample t-test indicated that the hypothesis was rejected (P-value= 0.009; t = -0.035; df = 167). Therefore, it can be argued that the implementation of the strategic plan at Zabol University of Medical Sciences has not been successful. The 39.30 % success rate is slightly below average. The highest level of success was observed in the domain of leadership and management (3.22), and planning (3.09), while employee management (2.72) and organizational learning (2.98) were the least successful (Table 1).

According to the results of regression analysis, leadership and management, planning, and organizational culture had the highest effect on the successful implementation of strategic plans at Zabol University of Medical Sciences. there was a significant multiple correlation between domains of strategic planning and planning success (P-value < 0.05). 99 percent of variance in strategic planning success can be explained by its domains. The rest was caused by unknown factors which were not accounted for in this study (Table 2).

There was correlation between strategic planning success and its dimensions (P-value ≤ 0.05) (Table 3).

Table 1. Characteristics of the participants

Variable		Frequency	Percentage	Variable		Frequency	Percentage
Sex	Male	88	52.5	Age groups	under 30	45	26.8
	Female	80	47.5		30-40	91	54.2
Work experience	under 5	41	24.4		40-50	29	17.3
	5-10	60	35.7				
	10-15	53	31.5				
	15-20	5	3.0		over50	3	1.7
	20-25	5	3.0				
	25-30	4	2.4				
Organization type	Deputy of health	26	15.5	Marital status	Married	123	26.8
	Deputy of treatment	12	7.1		Single	45	73.2
	Deputy of development and resources	41	24.4	Education level	Less than a bachelor's degree	16	9.5
	Deputy of research and technology	7	4.2		Bachelor's degree	83	49.4
	Deputy of education	41	24.4		Master's degree	67	39.9
	Deputy of food and medicine	12	7.1		Doctorate, professional degree	2	1.2
	Deputy of culture, and student affairs	29	17.3				

[DOI: 10.18502/jebhpme.v6i4.11535]

Table 2. The analysis of variance in multiple linear regression (dependent variable: Success rate of strategic planning)

Change source	Sum of squares	df	Mean square	R2	R	F	P*
Regression	130.500	8	16.310				
Residual	0.397	159	0.002	0.997	0.998	6535.140	0.000
Total	130.900	167	-				

* P-value ≤ 0.05 is significant.

Table 3. Correlation between strategic planning success and its dimensions

	B	Beta	t	P**
Constant	- 0.079	-	- 5.480	0.0001
Management and leadership	0.129	0.159	21.140	0.0001
Planning	0.134	0.155	21.140	0.0001
Organizational culture	0.130	0.147	19. 570	0.0001
Organizational learning	0.117	0.121	16.310	0.0001
Employee management	0.123	0.147	20.610	0.0001
Customer management	0.133	0.158	20.240	0.0001
Resource management	0.117	0.131	17.190	0.0001
process management	0.140	0.148	18.700	0.0001

** P-value ≤ 0.05 is significant.

Discussion

The purpose of this research was to determine the success rate of strategic plans at Zabol University of Medical Sciences. The results showed that its success rate in implementing the strategic plan was average (2.99). Mosadeghrad and Isfahani in 2017 revealed that strategic planning implementation was moderately successful in hospitals affiliated to Tehran University of medical sciences (score of 2.84 out of 5) (2).

Similar studies also indicated the implementation of strategic plans in healthcare organizations to be challenging (17, 18). Strategies are a set of actions taken to achieve competitive advantage in today's competitive environment; but, the gap between theory and practice in strategic management is huge. A significant percentage of strategic plans fail. A study conducted in the U.S. showed that about 90 percent of strategies fail (19). Other studies have also estimated a 50 to 80 percent failure rate for organizational strategies regarding change and plans (20-22). Therefore, organizational strategies are likely to be costlier than beneficial if they are not developed, implemented, or evaluated properly.

The highest level of success in implementation of strategic plans occurred in the domains of leadership and management and planning. The strategic plan is the backbone of the organization's management system. Therefore, achieving favorable performance results requires investment in organizational structures and processes. Managers in healthcare organizations must set general and specific goals when developing strategic plans to reinforce leadership and management, planning, organizational culture and learning, and employee, resource, customer, and process management. They should also choose and implement measures needed to achieve them. A poorly developed strategic plan can otherwise have lasting negative effect on organizational performance (2). The domains of leadership and management, planning, and organizational culture were found to have the greatest effect on successful implementation of strategic plans at Zabol University of Medical Sciences. Therefore, the managers and assistant managers of this university and similar organizations must set clear goals and determine and implement necessary actions to reinforce these important domains.

The relationship between leadership and management, and planning domains is reciprocal. A strong leadership and management system allows for the formulation of a strong strategic plan. Im-

[DOI: 10.18502/jebhpme.v6i4.11535]

plemented properly, it not only improves key performance indicators but also strengthens the leadership and management system itself. Implementation of the strategic plan at different deputeis of Zabol University of Medical Sciences somewhat led to improvements in the accountability of the managers and assistant managers and their commitment to enhancing organizational performance. However, managers need to consider a set of measures in the strategic plan to strengthen the organization's leadership and management system and incorporate scientific management and evidence-based decision-making. When implementing strategies, managers tend to focus more on planning and organizing and less on their leadership role. Strong leadership is crucial to the success of organizational strategies (23, 24). Many variables affecting the implementation of strategic plans including delegation of authority, organizational communication, and decision making are influenced by the managers' leadership style. It has been shown that transformational and participative leadership styles can increase employees' involvement in implementation of strategic plans (25). Managers must define a vision of organizational goals for employees and properly motivate and lead them regarding the strategic process of change.

Individuals involved in strategy formulation and the strategic planning process must be actively involved in the implementation of strategies as well. When there is a lack of commitment to the implementation of the plan on the part of management, managers will not provide the resources required. So, employees will not have enough motivation to effectively implement the plan. Employees regard managers as role models. Commitment and involvement by the management can increase commitment and involvement in employees. While planning is a means for achieving desired organizational outcomes, some managers view it as a goal. These managers only seek to develop a strategic plan for the organization. As a result, lack of investment in the effective implementation of the plan might fail.

In this research, strategic planning was significantly correlated with planning. In other words, managers of the organization developed the strategic plan just for the sake of having a plan in place. However, the goal of strategic planning is to gain competitive advantages by implementing appropriate organizational strategies. Strategic planning is not a goal, but a means for effectively and efficiently achieving organizational goals and objectives. In addition to pursuing the long-term goals of the organization and formulating an operational plan, managers must analyze the internal and external environments and develop appropriate strategies with active involvement of the employees.

Implementation of organizational strategies is affected by organizational culture, which has been shown to influence the success or failure of organizational strategies by about 50 % (26-27). Poor organizational culture can lead to resistance in employees and reduce their motivation, which can hinder implementation of strategic plans (28). Therefore, managers must create changes in organizational culture that correspond to the selected strategies. This is to facilitate their implementation. Otherwise, strategies are bound to fail. Basic principles of organizational strategy must be aligned with the values embedded in the organizational culture. In this research, the least amount of success was observed in the domains of organizational learning and employees management. By setting specific goals and taking proper actions, managers must encourage effective communication, build mutual trust between managers and employees, and create a culture of participation and teamwork. This is to contribute to more creativity and innovation as well as continuous improvement within the organization. Holding training courses aimed at employees empowerment and providing opportunities for promotion based on these training are crucial in this regard. Effective employee training has a significant role in reducing their resistance to changes in the strategic plan. On the other hand, employees must be given special attention by management as the main assets of the organization. It is the employees who implement the organization's

[DOI: 10.18502/jebhpme.v6i4.11535]

plans. Therefore, managers must use proper strategies and tactics to effectively develop and manage human resources, improve relations between managers and employees, evaluate employees' performance, and acknowledge and reward their efforts.

This study evaluated the success rate of strategic planning implementation in the Zabol University of Medical Sciences at an average level. It is necessary to use the appropriate model to successful implementation of this plan. The results can only be generalized to Zabol University of Medical Sciences. Therefore, it is suggested that similar study be conducted in other provinces of the country to get a better picture of the state of strategic planning in the country's medical universities.

Conclusion

The study showed the success rate of strategic planning at Zabol University of Medical Sciences was average. Ensuring strong leadership and management, creating a participative culture, providing required resources, and training and empowering employees to play a significant role in the successful implementation of strategic plans in this university. Therefore, health managers and policymakers must take action for its successful implementation in universities.

Acknowledgments

Authors thank Zabol Univerity of Medical Science for data support. This study was supported by Zabol Univerity of Medical Science of Iran.

Conflict of interests

The authors declared no conflict of interests.

Authors' contributions

Isfahani P and Afshari M designed research; Miri A and Shanavazi E conducted research; Arefy M and Shahreki J analyzed data; and Miri A, Isfahani P, Afshari M, Shahreki J, and Arefy M wrote the paper. Afshari M had the primary responsibility for final content. All authors read and approved the final manuscript.

Funding

This study was financially supported by ZUMS.

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[DOI: 10.18502/jebhpme.v6i4.11535]