VALIDATING A MEASUREMENT MODEL FOR STRATEGIC MANAGEMENT PLANNING AND THE DEVELOPMENT OF HEALTHCARE SECTOR IN ABU DHABI (SEHA)

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Abstract:
The rationale of this study is to validate a measurement model for strategic management planning and the development of healthcare sector in Abu Dhabi (SEHA). The current study has been developed the theoretical framework by reviewing the existing literatures. In this study, the target population is the healthcare employees in Abu Dhabi. For this study, the sample size was 326 respondents from the healthcare sector in Abu Dhabi. The data are subsequently analyzed to explain the relationships among the variables by employing statistical analysis namely descriptive and inferential statistics. Therefore, the quantitative method was more appropriate since present study test the hypotheses developed rather than a building theory. Moreover, the data was treated as nominal, ordinal, interval and ratio while inputting the data for the purpose of determining the strategic management planning in the development of healthcare sector in Abu Dhabi. Results revealed that healthcare service and facility is positively and significantly correlated with development of healthcare sector, as well as healthcare service and facility is positively and significantly correlated with financial and operational efficiency. Result also showed that financial and operational efficiency is positively and significantly correlated with development of healthcare sector, and healthcare service and facility is positively and significantly related with strategic management planning. However, strategic management planning does not a positive

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and significant influence on development of healthcare sector. The results of this study provide evidence that increased healthcare service and facility is associated with increased development of healthcare sector.

Keywords: measurement model, strategic management planning, development of healthcare sector, Abu Dhabi

1. Introduction

The increased health problems are well documented in various journals of the World Health Organization. The cardiovascular disease, diabetes, cancer and respiratory disorders represent the major threat to the human health and development in Abu Dhabi. The rising global trend of chronic diseases has led to the effective development of strategic plans through the use of health programs such as cardiovascular screening programs, lifestyle and behavior change. As far, a hospital creates techniques, which must be gotten from a situational or key examination, which is regularly performed by analyzing the strengths, weaknesses, opportunities and threats (Bryson, 2004). Total Quality Management cannot be successfully used as an aggressive weapon unless quality can be precisely characterized, measured, assessed, and observed over the long haul (Azam & Moha Asri; 2015; Tarofder et al., 2017). In fact, the growth of quality management processes ensures an effective strategic plan for the organization (Dahari et al., 2011; Azam et al., 2014; Tham et al., 2017). The problem statement of the current study highlights the issues of strategic management planning in the development of healthcare sector in Abu Dhabi (SEHA). The issue of value estimation in medical services is approached as a mix of administration, quality credits regular to other administration associations and specialized quality ascribes one of a kind to social insurance. We trust that this exploration will serve as an initial move toward the union of the different quality properties characteristic in the human services area and urge different specialists to address the collaborations of the different quality traits.

Essentially, there is a need to identify the gaps in Abu Dhabi health care facilities and develop a strategic plan for future healthcare services. Once the strategic opportunities have been recognized and potential dangers considered, a list of particular steps that will be taken to actualize the arrangement ought to be shaped. Quantifiable results are portrayed as described to every target and must be dictated by the statement of purpose. Obligations regarding actualizing the objectives and targets ought to be built. The key arrangement sorted out through objectives and goals offers an arrangement of quantifiable results which can be assessed.
Besides, there is a need to identify the gaps in Abu Dhabi health care facilities and develop a strategic plan for future healthcare services. Once the strategic opportunities have been recognized and potential dangers considered, a list of particular steps that will be taken to actualize the arrangement ought to be shaped.

The research has focused with clear objectives in light of the targets has the capacity to concentrate on particular achievements. The research will help individuals stay healthy and to give access to convenient, high-quality, patient-focused health awareness. Attaining to this obliges clear needs, steady initiative and staff cooperating, supported by the center estimations of joint effort, openness, and appreciation and strengthening. Moreover, a small number of empirical works in this sector creates a need for the current study. Thus, the current research will be very important for rescuing the existing situation.

2. Literature Review

Andrews et al. (2006) dichotomizes strategy content into strategic stance (organization wide approach) and strategic actions (the implementation of the strategic stance). On the other hand, Rhodes and Keogan (2005) utilized a model that limits strategy to “decisions and actions” undertaken in order to fulfill the organization’s mission. While Hambrick and Fredrickson (2001) discuss strategy in terms of five aspects, 1) arena - the entity’s core business, 2) vehicles - methods for achieving targets, 3) differentiators, 4) staging timing of methods and, 5) economics - logic profit producing plans. They contend that each element is necessary to produce a coherent comprehensive organizational strategy.

Strategy developed from a practical need to a distinguishing factor between failure and success in many organizations (Haque et al., 2014; Haur et al., 2017). Strategy was devised as performance tool on the top management for effective decision making and performance measurement. Chandler (1962) highlight that strategy is made at the top and executed at the bottom. In fact, the strong decision making process with the top management while implementation and execution role with the middle management of the organization.

The strategic operations of a firm enable the firm with specialist activities that ensure that resources are used efficiently; careers within each department are clear and succinct and foster effective communication between specialists to enhance skill development and knowledge transfer (Andrews et al., 2006). Floyd and Woolridge (2000) provide research evidence that strategy fails in an organization where the ineffective plans and unproductive work allocation in strategy execution is seen. There
have been effective strategic tools like BCG matrix which aids firms to measure their business based on market growth. BCG Matrix shows the market share and market growth rate in four areas (Stars, Question marks, Cash Cows and Dogs).

Cash cows are highly profitable business in low growth market. Since the low market is uncertain, its unique proposition and high revenue in the market ensures that the high profits are used by the business owners to run business in the higher market share business to solidify and strengthen their position. Dogs are those business ventures which make very low returns in the low growth market space and result in loss making business for the investors (Brian, 1996).

BCG has an advantage that it is too simple and easy for the top management to identify their company position for creating significant business decisions and having a clear snapshot view of the performance of the company over the years and its future ahead. BCG matrix can be enhanced for better cash flow, balanced portfolio of investments, understanding the operations of the various business units of the firm and develop the characteristics of investment in a firm.

Brian (1996) mentions that although BCG had advantages, it also had its own limitations of being too simplistic in the depiction of market share and growth rate as there are many associated factors that too need to be considered along with market growth. The market attractiveness and business position are too complex to be depicted in high or low factor and need for differentiated factors to correctly depict the market performance.

Cooper (2000) highlights the General Electric and McKinsey developed the BCG model into a nine-cell matrix that considers the market situation and business interest of the firm into a more dynamic pattern for market assessment. The BCG matrix is mostly used as a snapshot view of the activities within a business group and the various business units within a business organization. Question marks are low market share products in a very competitive market space and as the name rightly says, it is question mark on their future existence. Stars are those products in with high market share in highly competitive market space and these businesses are highly profitable and generate higher sales and quality driven products and services.

BCG matrix can be enhanced for better cash flow, balanced portfolio of investments, understanding the operations of the various business units of the firm and develop the characteristics of investment in a firm. BCG matrix had its own limitations of being too simplistic in the depiction of market share and growth rate as there are many associated factors that too need to be considered along with market growth. The market attractiveness and business position are too complex to be depicted in high or low factor and need differentiated factors to correctly depict the market performance.
The strategic developments have the reinforced decision that the top management decisions have developed on the strategic paradigm. The formulation and implementation of the management of strategy have roles for managers, operational processes and design standards for rewards and incentives.

Furthermore, for the healthcare’s, the quality of service, internal operations, the financial situation of vulnerability, institutional efficiency and effectiveness and etc. all play a critical role for its survival and expansion, in which any one of them cannot be neglected. The evaluation of the healthcare is a significant matter to resolve with difficulty. While the application of an all-inclusive evaluation is constrained by the size, capability to assess, the outside environment constraints of the healthcare, the benefits of including evaluation methods, in addition to the prospect of development tendency of the healthcare’s is bound to make a widespread measurement for encouragement and popularization.

The strategic planning with healthcare’s working in nations is by applying the system as changed by Rhodes and Keogan (2005). This interfaces the achievement of its technique to HRM and institutional courses of action, which are interconnected. This system gives an across the board base to the appraisal strategic planning hones in the healthcare’s (Blackmon, 2008). It is viewed as comprehensive since it traverses the traditional parts of strategic planning procedures to cover the execution stage, which is by and large the worry of the more extensive key administration ground. The main segment of Rhodes and Keogan (2005) strategic management process is procedure content. They depicted procedure content as far as “moves and choices made to accomplish association’s main goal”. This is entirely critical for healthcare’s strategic planning endeavors since it permits them to center their activities on accomplishing their main goal. Procedures produced for Healthcares can either be helpful driving to enhance monetary assets or aggressive prompting objective uprooting. The determination of any procedure content depends mostly on the Healthcares subsidizing needs.

Rhodes and Keogan (2005) examined two ways to deal with creating system content in associations. There are; the arranged methodology which is a top-down formal system improvement process and the rising methodology which is a casual learning based procedure to technique advancement. As per the chose approach, the associations can take key activities and choices of either “changing their surroundings, changing current associations with these situations, or changing the association itself” (Andrews et al., 2006). The vital activity chose will strongly affect the association’s execution. Subsequently, planning technique substance is needy upon an evaluation and examination of the different variables that exist in an association’s surroundings.
The Healthcares internal background constitutes of the institutional capability, administration, management, and inside networking’s (Blackmon, 2008). Healthcare outside setting is collected of statutory bodies, private organizations, Healthcares, people, funding agencies, and beneficiaries (Barman, 2002).

The healthcare’s are in a unique environmental position; they must meet the needs of the organization itself while serving the public’s interest (Chetkovich and Frumkin, 2003) which may at times be opposing. The internal environment may consist of leadership, organizational capacity, and networking capacity. In addition to managing the complex internal environments, Healthcares have to contend with external environmental forces such as state and local governments, private foundations, private citizens, along with others that might provide funding (Barman, 2002) and the consumers. Furthermore, the changing fee structure is altering the competitive environment in the healthcare’s (Chetkovich and Frumkin, 2003). As a result there is a shifting toward fee based revenue streams rather than government funding and private donations. Chetkovich and Frumkin (2003) propose that healthcares respond by employing efficiency-based business responses or marketing-based differentiation responses. Regardless of which strategic response is employed by the organization, human resources are a vital component. Consequently, as the behaviors of key players in the Healthcare environment this impacts strategic management profoundly, human resources management is emerging as an issue that warrants additional attention as presented in the section that follows (Brown and Iverson, 2004; Canary, 1992; Rhodes and Keogan, 2005).

Rhodes and Keogan’s (2005) and Blackmon (2008) developing the mission in the healthcare’s is a vital element of their strategic planning efforts and must be considered as the hub of the BSC evaluation procedure. Therefore, the mission statements in the healthcare have been creating an impact on the strategic management practice of the organization. Rhodes and Keogan (2005), initiate that organizations are required to keep the integrity that is recommended in the unique mission. Therefore, a number of them maintain that the appropriate arrangement between the mission and the organizational goals facilitates the execution process (Moseley and Hasting, 2005; Okumus, 2003).

Campbell and Yeung (1998) and Rhodes and Keogan (2005) showed the HRM has to be incorporated into the healthcare’s usual efforts of strategic planning. This means that it can more be applied as a planned quite than conventional purpose to encourage for better competitive gain (Cakar et al., 2003; Macpherson, 2001). The authors’ argument is confirmed by the investigator concerning the strategic accountability of HRM and how it can be a necessary part of an organization’s strategic planning pains. Weilemaker and Flint (2005) mention that there are two schools of
thoughts which are to communicate to human resources, where one maintains that HRM is a support activity and the further a strategic instrument. Cakar et al (2003) stresses the tendency to pay attention on human capital and internal business processes as a means of strategically achieving competitive advantage as evidenced by the TQM. Although Weilemaker and Flint (2005) agree with the view that HR is the future and should be at the forefront as a means of acquiring competitive advantage they do conflict with the strategic element and propose that the genuine advantage for human resources remains with its conventional support. Thus, every perspective should be associated through the institutions strategic direction. They also note that the volunteer attempt, for instance boards, offer a foundation of extra key resources to healthcare’s and including an exclusive structural section to these organizations.

3. Methodology

Since positivism paradigms are related with quantitative research which entails hypothesis testing, so this research concentrated on the positivism paradigm. The current study has been developed the theoretical framework by reviewing the existing literatures. In this study, the target population is the healthcare employees in Abu Dhabi. For this study, the sample size was 326 respondents from the healthcare sector in Abu Dhabi. The data are subsequently analyzed to explain the relationships among the variables by employing statistical analysis namely descriptive and inferential statistics. Therefore, the quantitative method was more appropriate since present study test the hypotheses developed rather than a building theory. Moreover, the data was treated as nominal, ordinal, interval and ratio while inputting the data for the purpose of determining the strategic management planning in the development of healthcare sector in Abu Dhabi. Results revealed that healthcare service and facility is positively and significantly correlated with development of healthcare sector, as well as healthcare service and facility is positively and significantly correlated with financial and operational efficiency.

4. Findings

The first part of the analysis emphasizes on the demographic characteristics. The demographic characteristics comprise of gender, designation, age, educational qualification etc. It can be seen that the gender split in the sample were almost equal; 46.93% and 53.07% are male and female respondents respectively, where many of the respondents (55.52%) were Administration respondents, means admin staffs; whilst
44.48% of respondents were from Medical side either Doctor or Nurse. The majority (41.41%) respondents are in the 20-29 years’ age group and 37.42% respondents belong to the 30-39 years age group. The other three age categories only represent 21.17% of the sample. Referring to the findings, the majority of respondents (55.83%) claimed that they have obtained Bachelor degree qualification, whilst 13.50% claimed they have studied up to Diploma level. The survey found that 26.69% respondents have obtained Master Degree. Furthermore, 3.99% respondents possess Doctoral degrees.

The initial measurement model for the framework was developed by combining 45 items based on each final individual measurement model. The initial measurement model for the framework model fit indices are demonstrated in Table 1 respectively; according to the results, all the factor loading values are higher than the required cut-off point of 0.5. By looking at the model fit indices, it can be seen that the model does not fit the data well, as indicated by the significant chi-square fit, \( \chi^2(925) = 2354.97, p=0.000 \). By observing the absolute fit indices and incremental fit indices, the RMSEA and RMR values are below 0.08 and 0.05 respectively; however, GFI, CFI, NFI, IFI & TLI values are less than the standard cut-off values. Thus, the initial measurement model is not a valid measurement model. Since the model does not fit the data well, the initial model was further evaluated. For this purpose, the modification indices and standardized residual covariance were used.

| Table 1: Model Fit Indices for the Initial Measurement Model of the Framework |
|---|---|---|---|---|---|---|---|---|
| \( \chi^2 \) | df | \( \chi^2 \)/ df | GFI | RMSEA | RMR | NFI | CFI | IFI | TLI |
| 2354.97 | 925 | 2.546 | 0.835 | 0.054 | 0.024 | 0.777 | 0.851 | 0.852 | 0.840 |

The initial measurement model was reanalyzed, as the initial measurement model did not fit the data well. Seven items were removed to enhance the model fit of the final measurement model. The final measurement model was tested using 38 items. The results for the CFA for the measurement model are given in Figure 1 and Table 2. According to the model fit indices depicted in Table 2, the absolute fit indices (GFI = 0.903, RMSEA = 0.046, RMR = 0.020) were within the accepted level, indicating model fit. At the same time, NFI, CFI, IFI and TLI were 0.853, 0.923, 0.924 and 0.915 respectively. These values further confirmed the model fit, since all the values are over the cut-off values for each index.
In addition to the model fit indices, results of confirmatory factor analysis, indicate that items for each construct firmly possess convergent validity as the standardized regression weights of all variables are consistent with the cut-off value of 0.5. The results further reveal that the relationship between each variable and factors are statistically significant.

**Table 3: Correlation for the Five Latent Constructs**

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<th>Estimate</th>
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<tr>
<td>Healthcare Service and Facility</td>
<td>Development of Healthcare Sector</td>
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<tr>
<td>Financial and Operational Efficiency</td>
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</table>
The four latent constructs are different because the correlations between latent constructs are not larger than 0.8 or 0.9. Larger correlations between latent constructs (greater than 0.8 or 0.9) suggest a lack of discriminant validity. The maximum correlation is 0.637; in this case there is no problem with the discriminant validity. Table 4 demonstrates that the AVE values for all the constructs are greater than 0.5. Further to this the CR values are greater than the AVE values which indicates convergent validity.

<table>
<thead>
<tr>
<th>Variables</th>
<th>AVE</th>
<th>CR</th>
</tr>
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<tbody>
<tr>
<td>Healthcare Service and Facility</td>
<td>0.83</td>
<td>0.98</td>
</tr>
<tr>
<td>Development of Healthcare Sector</td>
<td>0.86</td>
<td>0.96</td>
</tr>
<tr>
<td>Financial and Operational Efficiency</td>
<td>0.51</td>
<td>0.79</td>
</tr>
<tr>
<td>Strategic Management Planning</td>
<td>0.57</td>
<td>0.83</td>
</tr>
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After developing the final measurement model, the multivariate normality of final measurement model was measured using Marida coefficient of multivariate Kourtosis. Since this value is more than 05, the assumption of normality is not met. Thus 1000 bootstrap re sample was used and Bollen – Stine p value is 0.210 which is more than 0.05. Thus model correctness is accepted.

5. Conclusion

Strategic planning encompasses a huge policy driven towards the implementation of quality standards. At the heart of any such quality change exertion is the issue of estimation. The growth of quality management processes ensures an effective strategic plan for the organization. Strategic Plan ought is set up with the association’s main goal, vision, vital targets, and activity arrangements went for attaining these goals. A hospital creates techniques, which must be gotten from a situational or key examination, which is regularly performed by analyzing the strengths, weaknesses, opportunities and threats.

The current study aims at the strategic planning process in medical facilities in SEHA services in Abu Dhabi. The SEHA services are geared with focused medical care aimed at patient satisfaction and high quality medical services in the Emirate of Abu Dhabi. This study is mainly related to the public sector government operations in Abu Dhabi and it may be difficult to adopt the results in other areas in the United Arab Emirates (UAE).

The results of this study provide evidence that increased healthcare service and facility is associated with increased development of healthcare sector. There is a direct
positive, significant relationship between healthcare service and facility and development of healthcare sector of the respondents in the development of healthcare sector in Abu Dhabi. It was also found that all sub dimensions of healthcare service and facility positively and significantly affect to development of healthcare sector and its dimensions. The resilience was the strongest predictor of development of healthcare sector. Besides, the results indicated the significant positive relationships between healthcare service and facility and financial and operational efficiency. On the other hand, a significant weak relationship was found between financial and operational efficiency and development of healthcare sector. However, the strategic management planning has not correlated significantly with development of healthcare sector of the respondents in the development of healthcare sector in Abu Dhabi. This is perhaps, the strategic planning process ensures quality administration that has turned into a crucial fixing to key arranging the key process into policy driven steps inside the health awareness space. The strategy planning process has to develop the vision, goals, performance indicators, principles, strategies, deploy, evaluate and evaluate the performance of the strategic plan. However, SEHA Health Services in Abu Dhabi is geared to provide comprehensive health services in the Emirate of Abu Dhabi whether urban or rural ensuring the best healthcare treatment, technology and medical specialists in the highest quality deliverables.

References


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