

**THE INFLUENCE OF CORPORATE GOVERNANCE MECHANISMS ON THE
FAITH-BASED HOSPITAL'S PERFORMANCE: A CASE STUDY OF MURANG'A
AND KIRINYAGA COUNTY**

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DECLARATION

I declare that this work has not been previously submitted and approved for the award, of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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ABSTRACT

Faith-based organizations (FBOs) are critical to the development of the healthcare system in developing countries as they provide healthcare services to those who would not otherwise access them in private for-profit and public healthcare facilities. FBOs are operating in a rapidly changing environment, and they are responsive to the global and regional forces that demand faith-based healthcare organizations to have sound corporate governance. The study aimed to explore the influence of corporate governance mechanisms on the performance of faith-based hospitals. The aims of the study were (1) to explore the influence of diverse expertise and skills of board members on the performance of the FB hospitals, (2) to explore the influence of the board compensation on the performance of the FB hospitals, and (3) to explore the influence of transparency & fairness on the performance of faith-based hospitals in Murang'a and Kirinyaga Counties. The study employed a correlational quantitative research design. Stratified sampling was carried out to include members of Kirinyaga and Murang'a County faith-based hospital boards, hospital management team, and departmental heads. The sample size was 120 respondents; targeted to fill a closed questionnaire disseminated using Google Form email for effective data collection. Data analysis was carried out using PSPP statistical software and multiple regressions were conducted. Findings reveal that diverse skills and expertise do not significantly correlate with hospital performance. However, efficient remuneration policies, particularly board compensation, positively impact certain performance metrics like normal bed occupancy. Transparency & fairness demonstrate significant positive correlations with patient feedback and timely payments but do not significantly associate with financial stability. Future research should explore additional governance mechanisms and their effects on hospital performance, as well as investigate interventions to address identified gaps. Recommendations include strengthening board composition, enhancing transparency and fairness, reviewing compensation structures, and fostering a culture of continuous improvement.

KEYWORDS: Corporate Governance Mechanisms, Corporate Governance, Corporate Mechanisms, Faith-based Organizations, Organizational Performance, Board.

ABBREVIATIONS

CEO	Chief Executive Officer
CG	Corporate Governance
CHAK	Christian Health Association of Kenya
DEA	Data Envelopment Analysis
FBOs	Faith-Based Organizations
LMICs	Low Middle-Income Countries
NGOs	Non-Governmental Organizations
WHO	World Health Organization



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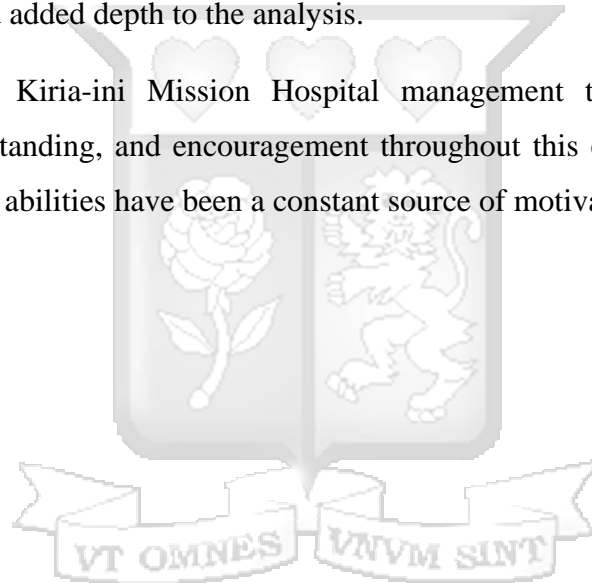


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DEFINITIONS OF CONCEPTS

This section gives the definitions of concepts as used in this dissertation: corporate governance, corporate governance mechanisms, and hospital performance.

Corporate Governance

The term corporate governance refers to the processes, procedures, practices, structures, and systems through which a specific company manages its operations and attempts to accomplish its financial, operational, and strategic goals while also achieving long-term sustainability (Sullivan, 2019). Corporate governance mechanisms involve the alignment of shareholders' and senior managers' interests in market and non-market contexts (Urban, 2019).

Corporate Governance Mechanisms

Corporate governance mechanisms encompass the framework of rules, processes, and practices implemented within organizations to ensure responsible decision-making, transparency, and accountability (Naciti, Cesaroni & Pulejo, 2022). These mechanisms are designed to uphold the interests of various stakeholders, including shareholders, management, employees, and the wider community, by fostering ethical behavior, mitigating risks, and promoting long-term value creation. Key components include the composition and oversight of the board of directors, the establishment of corporate governance policies and codes of conduct, the implementation of internal controls and risk management systems, the alignment of executive compensation with performance, the protection of shareholder rights, the promotion of transparency and disclosure, and adherence to external regulations and standards.

Hospital Performance

The term 'performance' considers factors such as access to care, cost of care, and quality of care in relation to patient expectations and satisfaction (Markazi-Moghaddam, et al. 2016). Notably, organizational performance is defined as the difference between an organization's actual outcomes (outputs) as measured against its intended results or outputs (Richard, et al., 2019). The performance of FBOs can be evaluated in terms of patient satisfaction, low cost of health, financial success, and sustainability (Counte, et al. 2019).

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

1.1.1 Corporate Governance and Mechanisms

Corporate governance (CG) and the need for sustainability have created a heated debate among scholars, researchers, practitioners, policymakers, and regulators (Benn & Dunphy, 2013). Such a debate is not surprising because of the issues regarding social, environmental, and organizational performance as they are associated with Sustainable Developments Goals (SDGs). Organizational success is not only dictated by innovation, quality management, and efficiency but also by good corporate governance principles. Studies have indicated that lack of transparency and poor disclosure impede the effectiveness of CG mechanisms (Ndungu, 2013; Szalay, 2019). The essence of CG lies in transparency and fairness in operations and improved disclosures to protect interests of stakeholders (Arora, 2018). CG structures and mechanisms are supposed to be designed in such a way that may help organizations perform better through good decision-making processes (Shivani, et al., 2017). Board composition is also a CG mechanism that may affect the performance of an organization and include aspects such as the size of the board, gender diversity, expertise & skills, and independence. According to Al Amosh (2022), compensation is a determinant for good governance charged to owners of the organization as a cost; functioning as an incentive for the board to perform their responsibilities with efficiency; and improve the performance of the organization. Deutsch, et al. (2011) state that strategic decisionmakers in an organization who engages in opportunistic behaviors may spark agency problems due to conflict of interests.

Research indicates that privately operated hospitals present an optimal framework for the sustainable operation and administration of healthcare establishments due to their successful adoption of effective corporate governance principles and regulations (Barasa et al., 2018). Lateef and Akinsulore (2021) define corporate governance as a system that guides and controls the operations of companies. The research findings indicate that private health facilities, through the implementation of sound corporate governance practices, can attract a diverse range of skills, expertise, and knowledge by incorporating a diverse membership in their management boards. This inclusive approach enhances the quality of decision-making, fosters accountability, engages stakeholders, establishes a shared vision, and ensures responsible resource management. These

four components are vital in maintaining the vitality, sustainability, and high performance of for-profit private healthcare providers.

The study underscores that the implementation of sound corporate governance practices empowers private healthcare facilities to attract a diverse array of skills, competencies, and insights by involving a varied membership within their governing boards. This foster enhanced quality decision-making by cultivating a sense of accountability, promoting inclusivity through stakeholder engagement, establishing a shared sense of direction, and ensuring responsible resource management through prudent approaches. These four aspects consequently emerge as pivotal factors that contribute to the vitality, sustainability, and high performance of for-profit private healthcare providers.

However, most not-for-profit private healthcare providers, including faith-based medical institutions, have yet to adopt such robust corporate governance practices (Lateef and Akinsulore, 2021). Consequently, these institutions are exposed to the vulnerabilities of continued dependence on management boards predominantly composed of religious leaders. These same religious leaders also hold responsibility for critical decision-making processes that influence the competitive performance of these healthcare facilities. Consequently, corporate governance practices within these organizations have been criticized for their lack of clarity, absence of transparency, deficient accountability, inadequate disclosure practices, and the subsequent risk of operational failure and decline. Critically evaluating the effect of corporate governance mechanisms on performance can help improve the governing processes of faith-based hospitals.

Corporate governance is the system by which companies are directed and controlled (Lateef and Akinsulore, 2021). It is important to ensure that the management of a company is accountable to its shareholders and other stakeholders. Corporate governance mechanisms are the systems and processes that are used to achieve this. There are many different corporate governance mechanisms that can affect the performance of a firm. A study by Gul, Kim, and Qiu (2017) found that a board with diverse directors is associated with better firm performance. The diversity in this study implied members with varied skills and experience, gender, and age; all of which are characteristics of board composition. A study by Samanta (2019) found that a board with a higher proportion of independent directors is associated with lower levels of corporate

fraud. Independent directors cannot be compromised by management, and they perform their monitoring role to ensure effective management of the firm. Additionally, a study by André and Schiehl (2017) found that there is no clear relationship between board compensation and firm performance. However, Ruparelia & Njuguna (2016) found mixed effects of board compensation on the performance of financial institutions. Diverse studies arrive on a conclusion that board compensation can be applied to reduce agency problems in an organization (Samanta, 2019; André and Schiehl, 2017; Ruparelia & Njuguna, 2016). Hence, the implementation of effective corporate governance mechanisms is key to improving the firm performance.

Implementation can be defined as the execution of the process of ascertaining proper compliance with rules, regulations, laws, and standards (Mersky, 2016). The implementation of corporate governance strategies ensures the alignment of owners' interests with corporate goals (Kessler, 2014). Significantly, implementation mechanisms are an essential aspect of corporate policies guiding how resources should be utilized. Governance structures cannot exist without implementation mechanisms (Aliberti & Krasner, 2016). While much attention has been given to the formulation of corporate governance rules and regulations, their implementation remains a challenge (Berglöf & Claessens, 2004).

However, there is scanty research done on the effect of the corporate governance mechanisms on the performance of faith-based hospitals, especially in Murang'a and Kirinyaga County. The research on board compensation, transparency, and compensation in faith-based hospitals should be carried out to understand how their implementation can lead to the improved performance of these hospitals.

1.1.2 Faith-based hospitals

Faith-based health institutions play a crucial role in delivering healthcare services, particularly in rural and marginalized regions where public healthcare services are inadequate, ineffective, or absent (Ndege, et al., 2022). Nonetheless, these institutions face the risk of maintaining their dependence on governing boards which are majorly comprised of religious leaders; resulting in inadequate governance structures. Alongside other private healthcare facilities, faith-based health institutions greatly complement public health services. However, as the healthcare landscape expands with a variety of providers, including public, for-profit private, and not-for-profit private (which includes faith-based facilities), it has become essential for faith-based organizations to

rely on self-funding models to assess the long-term viability of their operations. When compared to for-profit private facilities, faith-based health institutions face challenges in terms of organizational performance and sustainability.

1.1.3 The Role of Faith-based Hospitals

Healthcare delivery occurs through either public or private providers (Basu, et al., 2012). Public healthcare is mainly administered through national medical systems. Private healthcare, in contrast, encompasses "for-profit" hospitals and independent practitioners, as well as "not-for-profit" non-governmental entities, including those rooted in religious affiliations. Evidence indicates that in developing countries such as the United States, for-profit hospitals are more efficient in terms of managing operational costs than non-profit hospitals, but they lag in economic contribution to the surrounding communities (Franz, et al., 2021). In developed countries such as the United States, the United Kingdom, Germany, and the Netherlands, for-profit hospitals are performing better due to access to capital funding and reimbursement, physician's financial interests in for-profit private hospitals, market reforms and neoliberal policies, and cost-control and payment policies (Jeurissen, et al., 2021).

However, in Low and Middle-Income Countries (LMICs), globally, public healthcare is fragmented, and more than half of healthcare services are administered through private providers (Wadge, et al., 2017). WHO (2018) argues that maternal conditions are the leading causes of death in LMICs. Evidence indicates that Faith-Based Organizations (FBOs) play a significant role in maternal, newborn, and child health, tuberculosis, and HIV/AIDs (Kagawa, et al., 2012; Olivier, et al., 2015). Nicol, et al. (2022) conducted a cross-sectional study on FBOs in Nigeria, Tanzania, Malawi, Uganda, and Ghana and found that there were higher immunization levels and hospital supplies in faith-based hospitals than in public hospitals. Hence, Faith-based hospitals play a significant role in enhancing access and delivery of maternal and child healthcare services. Despite their significant contribution, when compared with for-profit, faith-based hospitals present a bleak outlook from a sustainability and organizational performance perspective (Ndege, et al., 2022).

There has been a growing recognition and appreciation by international health and development organizations for the significant contributions made by faith-based organizations (FBOs) in addressing poverty and poverty-related infectious diseases like HIV/AIDS, malaria, and

tuberculosis (Duff and Buckingham, 2015). These organizations play a vital role in providing healthcare services in third-world countries, with faith-based hospitals (FBHs) accounting for a substantial portion, ranging from 30% to 70% of healthcare provision (Ndege, et al., 2022).

In the context of Africa, particularly in many African nations, rural healthcare facilities often suffer from a lack of adequately trained healthcare personnel, leading to reliance on nurses and midwives as primary care providers (WHO, 2017). This challenge is particularly acute in various African countries, where faith-based health facilities step in to fill the gaps left by inadequate government resources and support. Chen et al. (2017) highlights the operational struggles faced by FBHs due to limited financial and technical assistance, necessitating adaptation to the healthcare industry's competitive landscape to improve performance.

The African continent has also witnessed efforts to integrate faith-based organizations into the global health and development discourse. Following the post-Millennium Development Goals era, the involvement of FBOs in decision-making and planning processes within global health and development institutions gained prominence, aligning with the ambitious Sustainable Development Goals (SDGs) set for 2030. International entities like the World Health Organization (WHO) and the World Bank Group, alongside intergovernmental platforms like the G20, have actively promoted and implemented more inclusive governance mechanisms (Welsh, 2020). An example of this is the formal recognition of faith-based organizations as non-state actors by the WHO, facilitating engagement through its Framework of Engagement with Non-State Actors.

The role of FBOs in the African healthcare landscape is significant and evident, particularly in the context of healthcare delivery during the COVID-19 pandemic. Religious leaders, faith communities, and faith-based organizations have played a crucial role in providing frontline medical services, disseminating health information, reducing stigma, and promoting health-saving practices (WHO, 2021). While religious partners have been active in pandemic preparedness and response, greater collaboration between national governments, the WHO, and FBOs could enhance the effectiveness of these efforts.

Across Africa, countries have grappled with developmental challenges since their post-independence periods, often hindered by limitations in capacity and resources (Olarinmoye, 2012). These constraints have given rise to alternative development models involving trade,

bilateral agreements, and the participation of donors, faith-based organizations, and NGOs. These entities have emerged as crucial players in providing essential services, such as healthcare, education, conflict resolution, and social services, in African nations.

In Kenya, faith-based organizations continue to be key contributors to the healthcare sector's functionality. These organizations contribute approximately 12% of the healthcare facilities in the country (Olivier, et al., 2015). The Kenya Conference of Catholic Bishops and the Christian Health Association of Kenya serve as major coordinators of faith-based health facilities, engaging in advocacy, capacity building, and program development. These organizations have been instrumental in various health initiatives, including HIV/AIDS programs.

In Kenya, FBOs have a significant presence in delivering primary healthcare to rural and low-to-medium population areas, contributing around 40% of healthcare services (Cnaan & Boddie, 2018; Cuskelly & Boag, 2019). They have complemented public healthcare efforts in areas like maternal and child health, immunization, antimalarial campaigns, and the management of HIV and tuberculosis. Despite their contributions, studies suggest that the performance of FBOs in Kenya remains comparatively lower than their public and non-faith-based private counterparts (Smith & Johnson, 2020; Thomas & Gonzalez, 2018). This study aims to explore the potential causal relationship between corporate governance and the performance of FBOs in Kenya.

The long-standing history of established FBOs in Kenya has significantly impacted the healthcare sector, offering substantial healthcare services to rural and low-income populations (Fort, 2017; Ndege, Tenambergen & Njoroge, 2022). With their well-established governance structures, FBOs like the Catholic Church and the Adventist Church have played a dominant role in the healthcare sector. These organizations have contributed to the provision of healthcare services, and their structured governance ensures accountability and strategic leadership.

1.1.4 Performance of Faith-Based Hospitals

The operational efficiency and outcomes of faith-based hospitals in Kenya have been a subject of interest and investigation (Kinyanjui, Gachanja & Muchai, 2015). These healthcare institutions, often affiliated with religious organizations, play a significant role in providing medical services and healthcare access to the population. Research studies have explored various aspects of their performance, considering factors such as patient care quality, financial sustainability, community engagement, and adherence to medical and ethical standards.

It is important to note that the performance of faith-based hospitals in Kenya can vary widely depending on factors such as the specific religious organization they are affiliated with, their management practices, available resources, geographic location, and the communities they serve (Jepkosgei, 2022). Some faith-based hospitals have been applauded for their commitment to providing healthcare to underserved areas and marginalized populations. They often prioritize holistic care, which encompasses both medical treatment and spiritual support. However, there have also been concerns and criticisms related to the performance of some faith-based hospitals (Timmins, et al., 2018). These might include issues around transparency in financial management, variations in the quality of medical care provided, and potential challenges related to incorporating modern medical practices and technologies while respecting religious beliefs.

Several research studies have attempted to assess the overall performance of faith-based hospitals in Kenya, taking into account factors such as patient satisfaction, clinical outcomes, staff qualifications, financial viability, and community impact (Wanjiku, Kiiru & Muchangi, 2019; Kisio, Githui & Omurwa, 2021; Mutunga, 2022). These studies contribute to the broader understanding of the healthcare landscape in Kenya and the role that faith-based hospitals play within it. As the healthcare sector continues to evolve, ongoing research and analysis are necessary to provide insights into the strengths, weaknesses, opportunities, and challenges faced by faith-based hospitals in Kenya, ultimately contributing to improvements in healthcare delivery and outcomes.

1.2 Statement of the Problem

FBOs have unique governance structures and processes (Brown & Williams, 2020; Thompson & Hanson, 2018). Despite their seemingly unique governance structures guided by religious principles, FBOs' performance remains dismal when compared to for-profit private hospitals (Oleribe et al., 2019). Scholars argue that this performance gap may be due to the limited use of scarce resources and technical inefficiencies inherent in mission-driven FBOs compared to profit-driven organizations (Kinyanjui et al., 2015). Hence, this phenomenon can be linked to the corporate governance mechanisms. Effective corporate governance implies that the board can mobilize scarce resources needed for the operation of the hospitals and ensure that these resources are utilized efficiently. For-profit private hospitals, on the other hand, have a better way of implementing corporate governance mechanisms, enabling them to perform in the best

interest of shareholders and achieve higher performance standards (Adu & Ofori, 2020; Githui & Nyamu, 2021).

A systematic study done by Ndege, et al. (2022) indicates that faith-based facilities, which fall under private not-for-profit institutions, need to evaluate their sustainability and organizational performance due to the increasing number of healthcare providers. The authors note that private for-profit hospitals have embraced effective corporate governance practices, and these practices have contributed to their success. However, faith-based facilities often lack such practices and can face challenges in terms of transparency, accountability, and performance. The authors highlight the research gap in understanding how good corporate governance practices impact the organizational performance of faith-based health facilities.

While faith-based organizations have been instrumental in providing healthcare services to underserved communities in developing countries, sustainability issues related to weak corporate governance frameworks have been evident (Mannion & Davies, 2018). Strong corporate governance practices can lead to improved financial performance in faith-based healthcare organizations (Dzurllkanian, 2020). However, discussions on corporate governance in faith-based healthcare organizations remain relatively limited (Karani et al., 2019).

To address these gaps and improve the performance of faith-based hospitals, this study aimed to investigate the association between corporate governance mechanisms in faith-based hospitals and their performance. By exploring the relationship between corporate governance mechanisms and performance, this research sought to contribute valuable insights into enhancing the quality of healthcare services provided by faith-based hospitals as suggested by Mathenge & K'Obonyo (2022). Central to this investigation are Counte et al. (2019) eight major characteristics of good governance: participatory, accountable, transparent, responsive, consensus-oriented, effective, efficient, equitable, and inclusive, which significantly impact the performance of healthcare facilities. Bridging the performance gap of FBOs is crucial for achieving universal health coverage and providing quality care in the Kenyan health system (McLoughlin, 2011). Universal health coverage cannot occur without quality care, and even lower-middle-income countries must provide quality care to avoid wasting valuable resources (World Health Organization, 2018).

Despite the recognized significance of corporate governance in ensuring effective and accountable management of organizations, there remains a gap in the understanding of how the corporate governance mechanisms specifically impact the performance of faith-based hospitals. Furthermore, limited empirical research has been conducted within the context of Murang'a and Kirinyaga Counties, where faith-based hospitals play a pivotal role in providing healthcare services to the community. This study aimed to bridge this gap by investigating the relationship between corporate governance mechanisms and the performance of faith-based hospitals in these two counties.

1.3 Research Objectives

1.3.1 Broad Objective

- i. The study sought to investigate the influence of corporate governance mechanisms on the performance of faith-based hospitals in Murang'a and Kirinyaga Counties.

1.3.2 Specific Objectives

- i. To explore the influence of diverse expertise and skills of board members on the performance of the FB hospitals
- ii. To explore the influence of the board compensation on the performance of the FB hospitals
- iii. To explore the influence of transparency & fairness on the performance of faith-based hospitals in Murang'a and Kirinyaga Counties

1.4 Research Questions

- i. How do diverse expertise and skills of board members influence the performance of the FB hospitals?
- ii. How does the board compensation influence the performance of the FB hospitals?
- iii. How does transparency & fairness influence the performance of faith-based hospitals in Murang'a and Kirinyaga Counties?

1.5 Significance of the Study

The exploration of the relationship between corporate governance mechanisms and faith-based hospital performance in developing countries is a subject of significant importance and relevance. Faith-based organizations (FBOs) play a pivotal role in delivering healthcare services in developing countries, often serving as a vital bridge between private for-profit and public healthcare facilities (Wadge, et al., 2017). These organizations have a deep-rooted commitment to addressing healthcare disparities, making their performance crucial for the overall well-being of underserved populations. The healthcare landscape in Kenya is evolving rapidly due to factors such as demographic shifts, emerging diseases, and technological advancements (De Cock, 2013). In this dynamic environment, it is imperative to examine the governance structures that underpin the operations of faith-based hospitals to ensure their sustainability, adaptability, and effectiveness. Faith-based healthcare organizations are not isolated from global and regional forces. They operate within regulatory frameworks, funding constraints, and ethical considerations that necessitate robust corporate governance. International and regional bodies increasingly emphasize the importance of governance in healthcare to enhance accountability, transparency, and the delivery of quality care.

There is fragmented research on the influence of corporate governance mechanisms on the performance of faith-based hospitals in Kenya. Little research has been done on several counties and regions in Kenya such as Nyanza region, Kajiado, and Kiambu, but with varied results (Muriithi, 2020; Wambui et al., 2020; Andove, 2019). These studies indicate that some faith-based hospitals are performing better than others in different regions. There is a need for further investigation to gain more insights into corporate governance strategies that can improve the performance of faith-based hospitals.

This research study holds significant academic value by addressing a critical gap in the existing body of knowledge. By investigating the influence of corporate governance mechanisms on the performance of faith-based hospitals, particularly within the unique context of Murang'a and Kirinyaga Counties, this study contributes to the advancement of theoretical frameworks at the intersection of corporate governance and healthcare management. The findings generated from this study have the potential to enrich our understanding of the relationship between governance

practices and hospital performance, thereby enhancing the broader academic discourse in this field.

The practical implications of this research are substantial for both healthcare administrators and policymakers. The insights obtained from the examination of board composition, transparency, and compensation can inform faith-based hospitals in the two counties about optimizing their corporate governance strategies. By aligning governance practices with performance outcomes, hospitals can make more informed decisions that drive efficiency, transparency, and accountability. Furthermore, the study's outcomes can serve as a reference for regulatory bodies and policymakers in shaping targeted guidelines that foster effective governance practices within faith-based healthcare organizations.

This study focused on Murang'a and Kirinyaga Counties enhances its relevance at the local level. The findings were poised to directly benefit healthcare institutions in these regions, providing them with context-specific insights to enhance their governance practices and, consequently, their performance. By addressing challenges and opportunities unique to this geographic area, the study sought to contribute to the advancement of local healthcare services and infrastructure. This approach sought to underscore the practical applicability of the research in supporting the growth and sustainability of faith-based hospitals within these counties.

Faith-based hospitals operate with specific missions and values, often aiming to provide holistic care that aligns with their religious beliefs (Davey, et al. 2021). The research findings can provide valuable guidance on how governance practices can be harmonized with these missions while promoting optimal hospital performance. Furthermore, the study's outcomes aimed at laying the groundwork for future research endeavors. Subsequent researchers can build upon the insights gained here, exploring related areas in greater depth, and expanding the understanding of corporate governance's impact on healthcare management and patient outcomes.

1.6 Scope of the Study

This study focuses on investigating the association between corporate governance mechanisms and the performance of faith-based hospitals within the specific context of Murang'a and Kirinyaga Counties in Kenya. The scope encompasses an examination of governance structures, processes, and practices employed by faith-based hospitals, with a particular emphasis on expertise & skills, transparency & fairness, and compensation as among factors influencing hospital performance. The study uses agency theory to explain the complex relationship between CG mechanisms and hospital performance due to emergent issues such as agency problems, opportunistic behaviors, and incentives. The study will involve quantitative analysis to assess the relationship between various corporate governance indicators and performance outcomes.

The study also looks at the three CG mechanisms: diverse expertise and skills, transparency and fairness, and compensation. Selecting diverse expertise and skills, transparency and fairness, and compensation of the board of directors as the three corporate governance mechanisms to link with agency theory is strategic due to their significance in addressing principal-agent conflicts and promoting effective corporate governance. Diverse expertise on the board enhances oversight and decision-making and hence reduces information asymmetry. Transparency and fairness foster trust and mitigate conflicts by providing equal access to information and ensuring equitable treatment. Compensation tied to performance aligns directors' interests with shareholders, curbing managerial self-interest. These mechanisms collectively enhance accountability and alignment within organizations, crucial for effective governance.

1.7 Chapter Summary

In this chapter, the background and context of faith-based hospitals, with a focus on their corporate governance and performance was discussed. Faith-based hospitals in healthcare delivery, particularly in low and middle-income countries. It also emphasizes their contributions to addressing poverty-related infectious diseases and mentions their significant presence in Africa. Kenya, as a low and middle-income country, faces the same problem. Healthcare is primarily provided through public and private providers. Faith-based healthcare facilities supplement healthcare services provided by public and private for-profit providers, especially in rural and marginalized regions. Faith-based hospitals play an immense role in healthcare provision, but their performance varies due to myriads of challenges. One of the major

challenges affecting their performance is the issue of corporate governance. Despite having vast of corporate governance guidelines and documentation, is still not satisfactory compared to public and for-profit private counterparts. Hence, the study sought to investigate the influence of corporate governance mechanisms on the performance of faith-based organizations. In the next chapter, the study presents what other scholars and researchers have found on the topic identifying knowledge gaps through a detailed literature review.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a comprehensive exploration of existing research regarding the relationship between corporate governance mechanisms and the performance of faith-based healthcare institutions. It also explores theoretical frameworks that endeavor to explain this phenomenon from different perspectives while identifying the prevailing gaps within the realm of empirical studies. Finally, this chapter presents a conceptual framework that interconnects independent variables with their corresponding dependent variables. The first section explores the theories, while the second section looks at the empirical studies.

2.2 Theoretical Foundation

This section discussed Agency Theory to explore corporate governance. This theory provides a solid theoretical foundation for understanding complex dynamics between governance mechanisms, institutional contexts, and the performance of faith-based hospitals in Murang'a and Kirinyaga Counties.

2.2.1 Agency Theory

Jensen and Meckling first conceived agency theory in 1976. Agency Theory focuses on the principal-agent relationship, where principals (shareholders or owners) delegate decision-making authority to agents (managers) to act in their best interests (Brown & Davis, 2017). The theory suggests that conflicts of interest may arise due to the separation of ownership and control. The proponents of Agency Theory such as Michael, C. Jensen, Eugene F. Fama, and William H. Meckling contributed to the understanding of the agency relationships in organizations in terms of agency costs, executive compensation, the role of the board, and self-interest concept, which have significant implications on the corporate governance and organizational performance (Cheffins, 2021). In the context of faith-based hospitals, the governing board represents the principal, and the management team represents the agent.

According to Agency Theory, effective corporate governance mechanisms can mitigate agency problems and enhance performance (Smith & Johnson, 2016). These mechanisms include monitoring mechanisms (such as board independence, board size, and CEO duality) and incentive mechanisms (such as executive compensation and ownership structure). A robust

governance framework promotes alignment between the goals of faith-based hospitals and the interests of stakeholders, leading to improved performance.

Agency theory explores the relationship between principals (such as shareholders) and agents (such as managers) and how conflicts of interest between them can be mitigated (Vitolla, Raimo & Rubino, 2020). Corporate governance mechanisms are the tools and processes put in place to ensure that the interests of principals are aligned with those of agents, thereby reducing agency costs and enhancing firm performance. Agency theory is linked to specific corporate governance mechanisms that include diverse expertise & skills, transparency & fairness, and compensation.

Agency theory suggests that conflicts of interest arise because agents may prioritize their own interests over those of principals (Vitolla, Raimo & Rubino, 2020). One way to mitigate this conflict is by having a diverse board of directors with expertise and skills relevant to the company's operations. Diverse perspectives can enhance decision-making by bringing different viewpoints to the table, reducing the likelihood of agency problems. For example, having directors with financial, legal, marketing, and operational expertise can provide comprehensive oversight and guidance to management, ensuring that strategic decisions are made in the best interest of shareholders.

Transparency is crucial in corporate governance to mitigate information asymmetry between principals and agents (Salehi, et al., 2023). Agency theory predicts that agents may exploit their informational advantage to benefit themselves at the expense of principals. Transparent corporate governance mechanisms, such as regular financial reporting, disclosure of executive compensation packages, and clear communication channels between management and shareholders, help to ensure that relevant information is available to all stakeholders. Fairness in decision-making processes, such as equitable treatment of shareholders and avoidance of conflicts of interest, enhances trust and reduces the likelihood of agency problems.

Executive compensation is a key aspect of corporate governance that directly relates to agency theory (Salehi, et al., 2023). Principals need to ensure that agents (management) are incentivized to act in their best interests. Compensation packages for the board of directors, particularly for non-executive directors, should be structured to align their interests with those of shareholders. For instance, providing a significant portion of directors' compensation in the form of company stock or stock options can align their incentives with long-term shareholder value creation.

Additionally, tying executive compensation to performance metrics such as earnings growth, return on equity, or shareholder returns can incentivize managers to make decisions that maximize shareholder wealth rather than solely focusing on short-term gains.

For many years, corporate governance scholars from several disciplines (including law, economics, sociology, and strategic management) have concentrated on the monitoring function of boards, commonly known as the "control" role (Elsayed & Elbardan, 2018). The monitoring role refers to the obligation of directors to supervise management on behalf of shareholders. The board's monitoring job is conceptually supported by agency theory, which analyzes the possibility of conflicts of interest that occur in companies due to the separation of ownership and management. According to agency theorists, the major job of boards is to supervise the conduct of "agents"—managers—to safeguard the interests of "principals"—owners (Naz, et al., 2022). Similarly, legal, and financial research highlights directors' fiduciary duties to guarantee that managers behave in the best interests of shareholders.

Agency theory is also linked to performance and monitoring activities (Panda & Leepsa, 2017). The board's oversight is critical due to the potential additional costs when management seeks its interests to the detriment of shareholders' best interests. According to research, when ownership and management are kept separate (as they are in most contemporary organizations), managers may seek self-interest over profitability and growth, resulting in "agency" costs. Monitoring by board members can decrease the costs associated with control and ownership separation and, as a result, enhance company performance. Within a director's monitoring function, scholars typically discuss several specific activities, including monitoring the CEO, monitoring strategy implementation, planning CEO succession, and evaluating and rewarding the CEO and top managers of the firm. What each of these activities has in common is its relationship to the monitoring function. The primary driver of each of these activities is the obligation to ensure that management operates in the interests of shareholders—an obligation that is met by the scrutiny, evaluation, and regulation of the actions of top management by the board.

The major antecedent of the monitoring role, according to agency theory, is board incentives (Merendino & Melville, 2019). According to agency theorists, directors and boards have varying motivations to monitor to defend shareholder interests; as a result, incentives are a key prelude to effective monitoring. According to agency theorists, when incentives are matched with the

interests of shareholders, boards will be more effective monitors of management, and performance will increase. Board dependency and director remuneration have emerged as key proxies for board incentives in agency theory research. Researchers researching the monitoring role have agreed that boards dominated by independent directors are preferable. They argue that boards comprised primarily of insiders (active and retired firm managers and employees) or outsiders who are not independent of active management or the firm (due to business dealings, family/social relationships) have less incentive to monitor management due to their reliance on the CEO/organization. According to agency experts, reliance on the existing CEO/organization provides a disincentive for those in the organization and dependent external stakeholders to sympathize with owners when their interests conflict with management's (Sheikh, et al., 2018). Boards controlled by non-affiliated independent directors, on the other hand, are regarded to be superior monitors since they do not have a disincentive to monitor.

Board composition refers to the structure, diversity, and characteristics of individuals who serve on a company's board of directors (Naciti, 2019). The composition of a board can have a significant impact on the decisions and performance of a company. One of the prominent theories used to analyze the relationship between board composition and firm behavior is the Agency Theory. Board composition plays a crucial role in mitigating the agency problem and aligning the interests of management with those of shareholders. Different characteristics of board members, such as their independence, expertise, diversity, and representation, can influence their ability to effectively oversee management and make decisions in the best interest of the company. Board composition has different components.

First, boards benefit from a diverse range of skills and expertise (Poletti-Hughes & Briano-Turrent, 2019). Directors with industry-specific knowledge, financial acumen, legal expertise, and other relevant backgrounds can provide valuable insights during decision-making processes. These directors are better equipped to evaluate strategic plans and assess risks. The second component is the diversity, including gender, ethnicity, and experience, can lead to a broader range of perspectives and insights. Diversity can help prevent groupthink and enhance the board's ability to consider a variety of viewpoints when making important decisions (Lu & Boateng, 2018). The last component is the representation on boards such as employees or community members, which can ensure that a wider set of interests is considered in decision-making. This can help align the company's actions with the expectations of various stakeholders.

2.3 Empirical Studies

Having laid the theoretical foundation, this section systematically reviewed empirical evidence on the relationship between corporate governance mechanisms and hospital performance. The section also analyzed the deficiencies and gaps in the existing studies to bridge the knowledge or research gap by undertaking this study. The section explored global and local studies.

2.3.1 Diverse Expertise and Skills and Hospital Performance

This section explores the relationship between diverse expertise & skills among board members and hospital performance, drawing upon insights from empirical studies conducted in different settings. By examining the findings of these studies, we aim to understand how the presence of diverse skill sets within governance structures influences the quality of healthcare delivery, operational efficiency, and overall organizational success.

Arora & Bodhanwala (2018) conducted an empirical study to investigate the relationship between the Corporate Governance Index (CGI) and various financial performance measures within the context of Indian manufacturing firms. The study seeks to assess how the internal and external governance mechanisms, encompassing factors like board structure, ownership composition, market competition, and control variables, collectively contribute to shaping the financial performance of these firms. By utilizing panel data spanning from 2009 to 2014, the study aims to analyze whether higher levels of CGI are associated with improved financial performance indicators such as Return on Net worth (RONW), Return on Assets (ROA), and Earnings per Share (EPS). The findings of the study reveal several significant insights. The constructed Corporate Governance Index (CGI), comprising both internal and external governance mechanisms, demonstrates a positive and substantial impact on firm performance measures such as Return on Net worth (RONW) and Return on Assets (ROA). This suggests that firms with stronger governance practices tend to exhibit higher profitability and operational efficiency. However, the relationship between CGI and Earnings per Share (EPS) is found to be non-significant. The study underscores the importance of board composition, board meetings, promoter equity, institutional shareholding, and the presence of independent directors in influencing firm performance positively. It challenges the conventional notion that concentrated promoter ownership hampers effective decision-making, suggesting instead that corporate governance practices are crucial for enhancing profitability.

Chen, Hsieh & Hsiao (2021) conducted a study to investigate the influence of director and supervisor characteristics on the hospital performance among the board members of nonprofit proprietary hospitals. Characteristics that were under study included professional background, educational background, and duties or responsibilities of board members. The study found that for board members to effectively discharge their management and supervisory duties, they must possess knowledge, skills, and expertise. Directors with financial knowledge have abilities to make decisions and solve problems to improve organizational performance. Those directors with less financial knowledge are likely to disagree on goals and take a course that is inconsistent with the interest of hospitals. Directors with medical knowledge are likely to have a strong influence on the formulation of healthcare policies. The study found that there is a positive correlation between the medical background of board members and continuous healthcare quality improvement. Doctors-led hospitals have reduced mortality rates and enhanced patient satisfaction. The study concluded that diverse expertise & skills among board members can lead to higher hospital performance. The findings of this study are consistent with those of Muiruri (2018).

The study by Manyaga & Ammar (2021) offers a comprehensive synthesis of existing empirical research on the relationship between board diversity and firm performance. Although the study does not involve primary empirical research, it rigorously examines a wide range of academic articles to distill key findings and insights. The authors systematically analyze the methodologies, sample characteristics, and empirical results of previous studies, providing a nuanced understanding of the complex relationship between board diversity and various measures of firm performance. Through their synthesis, they highlight mixed empirical evidence, with some studies suggesting a positive correlation between board diversity and financial performance metrics, while others find no significant relationship or even negative effects in some cases. The discussion and interpretation of these findings are grounded in established theoretical frameworks, such as stakeholder theory and agency theory, offering valuable insights into the potential mechanisms underlying the relationship between board diversity and firm performance. Moreover, the study acknowledges the limitations of the reviewed literature and proposes directions for future empirical research to address gaps and inconsistencies in the existing literature. Overall, this empirical review contributes to the ongoing scholarly discourse

on board diversity and firm performance, offering valuable insights for both researchers and practitioners in the field.

The study by Ibrahim and Maitala (2023) offers a meticulous examination of the relationship between executive compensation and the financial performance of listed non-financial firms in Nigeria. Methodologically, it is robust, with clear delineation of the research design, sampling method, and analytical techniques employed. By utilizing a correlational research design and incorporating control variables, the study enhances the validity of its findings. Data collection from secondary sources, particularly annual reports, adds to its credibility. The statistical analysis, including descriptive statistics, correlation analysis, and the application of Generalized Method of Moments (GMM) for panel data, demonstrates a rigorous approach to exploring the relationship between variables. The presentation of empirical results is clear and insightful, shedding light on the impact of executive compensation components on financial performance. In terms of contribution, the study fills a gap in the literature on corporate governance and executive compensation, particularly within the Nigerian context. Despite its strengths, the study acknowledges limitations such as reliance on secondary data and potential omitted variable bias, suggesting avenues for future research. Overall, this study stands as a valuable addition to the body of knowledge on executive compensation practices and their implications for firm performance, offering insights relevant to policymakers, practitioners, and researchers in emerging markets.

In summary, the literature reviews provided offer valuable insights into the relationship between various governance mechanisms, such as board diversity, executive compensation, and firm performance across different contexts. Arora & Bodhanwala (2018) and Ibrahim & Maitala (2023) both delve into the impact of corporate governance practices on firm performance, albeit in different settings. While Arora & Bodhanwala focus on Indian manufacturing firms, Ibrahim & Maitala examine Nigerian non-financial firms. Both studies employ robust methodologies, including panel data analysis and control variables, to assess the relationship between governance mechanisms and financial performance indicators. Conversely, Chen, Hsieh & Hsiao (2021) and Manyaga & Ammar (2021) concentrate on specific aspects of governance, such as director characteristics and board diversity, and their influence on hospital and firm performance, respectively. Chen, Hsieh & Hsiao underscore the importance of diverse expertise and skills among board members in nonprofit proprietary hospitals, while Manyaga & Ammar offer a

comprehensive synthesis of empirical research on the relationship between board diversity and firm performance. Despite the differences in focus and methodology, all studies contribute valuable insights to the ongoing discourse on corporate governance and its implications for organizational performance, highlighting the importance of effective governance practices in enhancing financial and operational outcomes.

From the review of these empirical studies, a hypothesis can be posited as:

Hypothesis, H1: Diverse expertise & skills are positively correlated with hospital performance

2.3.2 Transparency & Fairness and Hospital Performance

This section provides a comprehensive overview of the relationship between corporate governance mechanisms and hospital performance, with a specific focus on transparency & fairness. Corporate governance mechanisms are fundamental to the effective management and operation of healthcare institutions, influencing their ability to deliver quality care, maintain financial sustainability, and meet stakeholder expectations. Among these mechanisms, transparency & fairness stand out as essential principles guiding ethical conduct, accountability, and trustworthiness within healthcare organizations.

Abor and Tetteh (2023) examine accountability and transparency practices in teaching hospitals in Ghana, focusing on financial, performance, and political/democratic accountability, as well as event and process transparency. Using a comparative case methodology and data from structured questionnaires administered to hospital administrators, the study investigates the extent to which teaching hospitals in Ghana adhere to these principles. The findings reveal varying levels of accountability across hospitals, with some demonstrating stronger financial management practices and adherence to performance targets. Additionally, political/democratic accountability is influenced by institutional governance structures and stakeholder engagement. The study also identifies differences in event and process transparency practices among hospitals. Overall, the research contributes to understanding accountability and transparency in healthcare governance, particularly in the context of teaching hospitals in developing countries like Ghana.

Kinyanjui, Gachanja, and Muchai (2015) investigated the performance of faith-based groups in Kenya. Data packaging analysis (DEA) was used in the study to examine the technical efficacy of primary care clinics in Kenya. According to research, just 30% of these facilities are

technically efficient. The comparison of observed values and ideal values of the company's outputs and inputs is included in research to evaluate the company's performance. It also proposes a basic measure of company performance that may consider many inputs and outputs. Firm efficiency is made up of two components: technical efficiency, which represents a firm's capacity to maximize output from a given set of inputs, and allocative efficiency. The capacity of a corporation to employ inputs in optimal proportions, given their relative pricing and manufacturing technology, is reflected in allocation efficiency. The two measurements together produce a unit measure of total economic efficiency. Whereas there are two ways to analyze firm technical efficiency, this study uses the input-oriented approach, which assumes that a particular patient's decision of which hospital to attend stays under his or her control. The input orientation DEA attempts to radially limit the utilization of inputs while still producing the same output. For example, a hospital may be able to rearrange the mix of its labor and capital inputs while continuing to record the same number of outpatients and inpatients each year. While this study focuses on technical efficiency, other studies have explored the performance of FBOs in terms of quality of care and healthcare outcomes.

Nicol, et al. (2022) conducted a systematic review study to investigate the effect of faith-based healthcare organizations on child and maternal healthcare outcomes in Africa. The key finding of the study is that immunization levels of children and women were higher in FBOs than in public facilities offering similar healthcare services. The study also focused on the quality and costs of maternal services in mission hospitals, healthcare centers, and government hospitals. The study found no significant difference between the availability of medicines and equipment between FBOs and public facilities at hospital levels. However, higher quality of maternal services was reported for FBOs at the health center level. The study concluded that FBOs play an important role in providing maternal and child health with a high potential to improve the healthcare system at large. However, the study recommended rigorous research to determine the effectiveness of FBOs' interventions in strengthening healthcare systems in Africa.

The involvement of FBOs appears to provide valuable resources, support, and a sense of community for healthcare services, addressing their unique needs and challenges. However, it is important to acknowledge the limitations of the reviewed studies, such as the small sample sizes, the lack of control groups, and the variability in intervention designs and outcome measures. Future research should aim for more rigorous study designs and standardized measures to further

explore the specific mechanisms and long-term effects of FBO interventions in this context. Overall, this systematic review highlights the potential of FBOs to positively impact many lives in the community in which they operate and calls for further research and collaboration between FBOs and professionals.

The study by Aman, et al. (2021) focuses on two primary objectives. Firstly, the study aims to investigate the joint impact of corporate governance mechanisms and corporate social responsibility (CSR) practices on firm performance in the context of non-financial Malaysian firms listed on Bursa Malaysia from 2006 to 2017. The study uses accounting-based return on assets (ROA) and market-based performance measures (Tobin's Q) to evaluate firm performance. Secondly, the article explores the moderating role of board independence in influencing the relationship between governance mechanisms, CSR practices, and firm performance. The research employs a dynamic model using the Generalized Method of Moments (GMM) to address potential endogeneity, reverse causality, and dynamic heterogeneity issues. The results indicate that ROA is a better determinant of firm performance than Tobin's Q. Ownership concentration, managerial ownership, and money spent on CSR negatively affect ROA, while the relationship with Tobin's Q is insignificant. Moreover, the presence of independent directors on the board negatively moderates the relationship between governance mechanisms, CSR practices, and firm performance. The findings suggest implications for regulatory bodies and policymakers to reassess board independence requirements and for companies to reevaluate their CSR strategies in light of financial implications. The study contributes to understanding the interplay of governance, CSR, and firm performance in the Malaysian context, offering theoretical and practical insights.

Iqbal, Nawaz and Ehsan (2019) examines the relationship between corporate governance and financial performance in microfinance institutions (MFIs) within the context of Asia. The study uses a dataset of 173 MFIs from 18 Asian countries over five years from 2007 to 2011. The corporate governance index is constructed based on elements related to board size, composition, CEO characteristics, and ownership type, customized to the functioning of Asian MFIs. The study analyzes the impact of this index on five different measures of financial performance. The findings indicate that lending exclusively to individuals, as opposed to both individuals and groups, has a positive and highly significant effect on measures such as Return on Assets (ROA), Return on Equity (ROE), and Operating Self-Sufficiency (OSS), while negatively affecting

Operating Expense Ratio (OER). This suggests that MFIs offering individual-based lending tend to achieve better financial performance due to larger loan sizes that enable customers to invest in larger businesses.

Many studies have been conducted to determine the relationship between an organization's governance and its performance in Kenya. Odhiambo (2019) conducted an empirical study to investigate the association between corporate governance practices and faith-based hospital performance in the Nyanza region. The study sought to conduct a correlational analysis between hospital performance and corporate governance indicators, including the size of the board, CEO duality, meeting frequency, and size and composition of the board. According to the findings, 93.5% of FBOs had subcommittees, 67.7% had 7-8 members, and 74.2% had a frequency of four meetings. To assess organizational performance, this study used the Balanced Scorecard created by Kaplan and Kaplan Norton. According to the study, the financial element of operating success is substantially connected with corporate governance practices ($R^2 = 0.621$), with corporate governance practices influencing 38% of financial performance. Internal business process viewpoints are also substantially connected with corporate governance procedures, although customer perspectives and perspectives on innovation, learning, and growth have a minimal association with other information such as the company's corporate governance ratio. As a result, the study suggests that corporate governance approaches, to varying degrees, influence the performance of faith-based health institutions. A regression study reveals that corporate governance principles have a beneficial influence on the performance of faith-based health institutions in the Nyanza area. These findings are also consistent with those of Ndege, Tenambergen & Njoroge (2022), and Njuguna (2018). Based on Ndege, Tenambergen & Njoroge (2022), Good corporate governance improves the performance of faith-based health care institutions. The study suggested that the secretariats of faith-based health institutions set clear policies on the conditions of participation of the directors, CEO, and board performance evaluation to ensure their efficacy. In addition, the board should get inductions and ongoing professional training to empower them with novel strategies. The research recommends that another study be performed to determine the corporate governance procedures and performance of Kenya's health industry. As a result, excellent corporate governance standards will help faith-based healthcare institutions function better.

Muriithi (2020) conducted an empirical study on the impact of the governance and the performance of church-based organizations using the Presbyterian church of East Africa Kikuyu hospital as a case study. The study was based on agency theory, stakeholders' theory, and stewardship theory. The study found a significant positive association between hospital performance and the composition of the board, leadership structure, and board accountability. However, this study suffered from a low sample size of one organization and hence its results fall short of generalizability and reproducibility. The study's contribution is significant in guiding future research in terms of using a larger sample size and integration of other theoretical perspectives in understanding corporate governance mechanisms and how they can influence the performance of faith-based healthcare organizations.

Andove (2019) conducted an empirical study to determine the impact of internal control practices on faith-based healthcare facilities' performance in Kakamega County with a sample size of 500 respondents. The study was guided by procedural justice theory, agency theory, and attribution theory. The study found a statistically significant relationship between the performance of FBOs and their respective internal control mechanisms. The study's internal control mechanisms included audit control activities, risk assessments, monitoring activities, and information systems.

In summary, Abor and Tetteh (2023) delve into the accountability and transparency practices of teaching hospitals in Ghana, examining financial, performance, and political/democratic accountability alongside event and process transparency. Their comparative case study reveals varying adherence to these principles among hospitals, with stronger financial management and performance adherence in some cases. Political/democratic accountability is influenced by governance structures and stakeholder engagement, and differences in event and process transparency exist across hospitals. This study sheds light on healthcare governance in a developing country context, particularly within teaching hospitals.

In another context, Kinyanjui, Gachanja, and Muchai (2015) explore the performance of faith-based groups in Kenya, focusing on the technical efficiency of primary care clinics using Data Envelopment Analysis (DEA). Their findings indicate that only 30% of facilities are technically efficient, emphasizing the need for improved resource allocation. Nicol et al. (2022) conduct a systematic review on faith-based healthcare organizations in Africa, revealing higher

immunization levels in FBOs compared to public facilities. While FBOs show promise in maternal and child healthcare, the study calls for rigorous research to assess their effectiveness in strengthening healthcare systems. Similarly, Aman et al. (2021) examine the joint impact of corporate governance mechanisms and CSR practices on firm performance in Malaysian non-financial firms. Their dynamic model reveals the nuanced relationships between governance, CSR, and performance, suggesting implications for regulatory bodies and companies.

In the context of microfinance institutions (MFIs) in Asia, Iqbal, Nawaz & Ehsan (2019) explore the relationship between corporate governance and financial performance. They find that individual-based lending positively affects financial performance indicators, highlighting the importance of loan strategies in MFIs. In Kenya, Odhiambo (2019) investigates the association between corporate governance practices and faith-based hospital performance in the Nyanza region, revealing a significant positive influence of corporate governance on hospital performance. Additionally, Andove (2019) explores the impact of internal control practices on FBO performance in Kakamega County, finding a statistically significant relationship between internal controls and performance. Overall, these studies offer valuable insights into the governance mechanisms and performance of healthcare organizations and institutions across various contexts, emphasizing the importance of transparency, accountability, and effective governance practices in improving performance and outcomes.

From the review of these empirical studies, a hypothesis can be posited as:

Hypothesis 2, H2: Transparency & Fairness is positively correlated with hospital performance

2.3.3 Compensation and Hospital Performance

This section delves into the intricate relationship between governance structures and hospital performance, with a specific focus on board compensation. Corporate governance mechanisms play a vital role in shaping organizational behavior, performance, and outcomes within healthcare institutions. By examining empirical studies from diverse contexts, this section seeks to elucidate how variations in board compensation influence hospital performance and shed light on the broader implications for governance practices in healthcare organizations.

Cardinaels (2019) investigates the relationship between governance structures and CEO compensation in non-for-profit hospitals in the Netherlands. Using data from 80 hospitals, it

examines how variations in the composition and remuneration of the supervisory board influence CEO pay. The findings indicate that CEOs tend to earn more when the supervisory board members receive higher remuneration, especially when it is deemed excessive. Additionally, CEOs earn less when the board consists of members with specific expertise, suggesting that boards with diverse expertise are more effective in controlling CEO compensation. These results underscore the importance of governance mechanisms in addressing agency problems in hospital management and have implications for improving governance practices in healthcare organizations.

Additionally, Shay, Patrick & White, Kenneth (2013) is a systematic review that explores the determinants of executive compensation in the healthcare industry. It analyzes 21 studies identified through searches of electronic databases and relevant references. The review finds mixed evidence regarding the statistical significance of various determinants of executive compensation. While firm financial performance is considered, other factors such as organizational size and human capital attributes also influence executive pay. Agency theory is commonly applied in these studies, but the findings suggest that a complementary theoretical perspective may better explain healthcare executive compensation. The review underscores the need for healthcare organizations to consider multiple factors beyond financial performance when determining executive compensation levels.

The study by Umar Nawaz Kayani and Christopher Gan (2022) explores the relationship between executive compensation and firm performance specifically in the Asia Pacific region spanning from 2007 to 2019. Using various measures of executive compensation such as total salary, total compensation, and total salaries plus bonuses paid to CEOs, alongside performance indicators like return on assets (ROA) and Tobin's Q (TQ), the study delves into how these factors interplay. Their findings suggest a positive correlation between total CEO compensation and firm performance, supporting the agency theory's premise that higher compensation motivates executives to enhance shareholder value. Interestingly, while total compensation and total salaries plus bonuses exhibit significant positive relationships with firm performance, total salary alone does not show any significant correlation. The authors emphasize the practical implications of their findings for policymakers, business owners, shareholders, and executives, advocating for aligning compensation strategies with business objectives to optimize firm performance. Overall, the study contributes valuable empirical evidence from the Asia Pacific

region, complementing existing literature and offering insights into executive compensation practices and their impact on firm performance.

Al-Shammari (2021) investigates the relationship between CEO option pay, firm risk, and firm performance, drawing on agency and expectancy theories. Through hierarchical regression analyses, the study finds that CEO option pay positively correlates with both market and accounting-based measures of firm performance. Additionally, it reveals that firm strategic risk partially or fully mediates the relationship between CEO option pay and firm performance, while stock returns and income stream risks do not significantly mediate this relationship. Notably, strategic risk positively influences firm performance, whereas stock returns risk negatively affects it. The findings support the incentive alignment argument of agency theory, suggesting that CEO option pay incentivizes risk-taking behavior among executives, thereby aligning managerial interests with those of shareholders. However, the study underscores the importance of carefully considering contextual factors like risk measurement in examining executive compensation and firm performance. Despite its contributions, the study acknowledges limitations related to sample composition and geographic scope, calling for further research to expand understanding across different contexts and improve the measurement and interpretation of risk-performance relationships.

Nieman (2018) investigates the relationship between CEO compensation and firm performance using data from firms listed in the FTSE100 index. By analyzing CEO compensation components, firm size, and stock return data, the study employs panel regression to examine the impact of CEO compensation on firm performance, specifically focusing on stock return and return on assets. The findings suggest a significant relationship between CEO compensation and return on assets, but not with stock return after controlling for firm size. Despite expectations derived from agency theory, which posits that aligning CEO compensation with firm performance should lead to better outcomes for shareholders, the study concludes that CEO compensation has little impact on firm performance after considering firm size. This conclusion challenges conventional wisdom and suggests the need for a reevaluation of compensation structures by remuneration committees. Additionally, the study identifies limitations such as the inability to isolate CEO decisions from market adjustments and proposes avenues for further research, including exploring the impact of CEO characteristics and compensation structures on

firm performance. Overall, this study contributes valuable insights to the ongoing discourse on corporate governance and executive compensation practices.

These studies can be compared to have an understanding on the influence of board compensation on the hospital performance. In Cardinaels' (2019) study on non-for-profit hospitals in the Netherlands, the researcher examines the relationship between governance structures and CEO compensation. Findings reveal that CEO pay tends to increase when supervisory board members receive higher remuneration, especially when considered excessive, while CEOs earn less when the board comprises members with specific expertise, indicating the importance of diverse expertise in controlling CEO compensation. Shay, Patrick & White's (2013) systematic review explores determinants of executive compensation in healthcare, finding mixed evidence on factors beyond financial performance influencing pay. Meanwhile, Kayani and Gan's (2022) study in the Asia Pacific region from 2007 to 2019 highlights a positive correlation between CEO compensation and firm performance, particularly when compensation aligns with business objectives. Al-Shammari (2021) investigates CEO option pay's relationship with firm risk and performance, suggesting that option pay incentivizes risk-taking behavior among executives, thereby aligning managerial interests with shareholder interests. Lastly, Nieman (2018) examines CEO compensation's impact on firm performance using FTSE100 data, finding a significant relationship with return on assets but not stock return after controlling for firm size. This challenges traditional views on CEO compensation's impact, emphasizing the need for further research into compensation structures and their implications for corporate governance.

From the review of these empirical studies, a hypothesis can be posited as:

Hypothesis 3, H3: Board compensation is positively correlated with hospital performance

2.4 The Gap in Literature

There are limited global studies on the relationship between corporate governance mechanisms and the performance of faith-based hospitals. However, there are few local studies on the subject. The research gap identified in these studies is the limited sample size and the need for larger sample sizes to enhance the generalizability and reproducibility of the findings. In the study conducted by Muriithi (2020), the research focused on a single organization, the Presbyterian Church of East Africa Kikuyu Hospital. While the study found a significant positive association between hospital performance and certain governance factors, the results are limited in their

applicability to other faith-based healthcare organizations due to the small sample size. This observation is binding to other studies such as Andove (2019). Therefore, future research should aim to include a larger sample of organizations to validate and generalize the findings.

Based on the findings of the reviewed studies, there were significant gaps in our current understanding regarding the impact of good corporate governance practices on the organizational performance of faith-based health facilities. It remained unclear to what extent corporate governance principles guide the governance of not-for-profit faith-based health facilities, as highlighted by Wambui et al. (2020). Therefore, this study aimed to thoroughly explore how corporate governance practices influence the overall organizational performance of not-for-profit faith-based hospitals.

Evidence from the literature review indicated that corporate governance mechanisms such as board composition, transparency & fairness, and board compensation influence the firm performance. Board composition such as diversity and diverse skills positively affect the firm performance. Whereas there is a large volume of literature on corporate governance mechanisms and their influence on firm performance, there were few studies that focused on the healthcare sector, more so on faith-based institutions. Few studies that focused on the study's topic, suffer from several deficiencies such as sampling and sample size: rendering their findings ungeneralizable to the study's population.

Though there were few studies in Kenya, on corporate governance and performance, they focused on specific counties such as Kakamega and Nyanza. There were limited global studies on the relationship between corporate governance mechanisms and the performance of faith-based hospitals in Kirinyaga and Murang'a. The research gap identified in these studies was limited sample sizes and the need for larger sample sizes to enhance the generalizability and reproducibility of the findings. In the study conducted by Muriithi (2020), the research focused on a single organization, the Presbyterian Church of East Africa Kikuyu Hospital. While the study found a significant positive association between hospital performance and certain governance factors, the results were limited in their applicability to other faith-based healthcare organizations due to the small sample size. This observation was binding to other studies such as Andove (2019). Therefore, future research should aim to include a larger sample of organizations to validate and generalize the findings.

Based on the findings of the reviewed studies, there were significant gaps in our current understanding regarding the impact of good corporate governance practices on the organizational performance of faith-based health facilities in Kirinyaga and Murang'a. It remained unclear to what extent corporate governance principles guide the governance of not-for-profit faith-based health facilities, as highlighted by Wambui et al. (2020). Therefore, the aim of this study was to thoroughly explore how corporate governance practices influence the overall organizational performance of not-for-profit faith-based hospitals. Table 1 Summarizes the research gap.

Table 1: Research Gap

Study	Findings	Research Gap
Arora & Bodhanwala (2018)	Positive impact of Corporate Governance Index (CGI) on financial performance measures such as RONW and ROA in Indian manufacturing firms. No significant relationship found with EPS.	Examines the relationship between corporate governance and financial performance in Indian manufacturing firms, contributing to understanding in a specific industry context.
Chen, Hsieh & Hsiao (2021)	Positive correlation between diverse expertise & skills among board members and hospital performance. Directors with financial and medical knowledge influence organizational performance positively.	Explores the impact of board member expertise and skills on hospital performance, addressing a gap in understanding the importance of diverse skills in governance structures.
Manyaga & Ammar (2021)	Mixed empirical evidence on the relationship between board diversity and firm performance. Highlights the need for future research to address gaps and inconsistencies in the literature.	Offers a comprehensive synthesis of existing research on board diversity and firm performance, providing insights into potential mechanisms and directions for future empirical studies.
Ibrahim & Maitala (2023)	Positive relationship between executive compensation components and financial performance in Nigerian non-financial firms. Contributes to understanding the	Examines the relationship between executive compensation and firm performance in the Nigerian context, addressing a gap in empirical research in emerging markets.

Study	Findings	Research Gap
	implications of executive compensation practices in emerging markets.	
Abor & Tetteh (2023)	Varying levels of accountability and transparency practices among teaching hospitals in Ghana. Identifies differences in financial, performance, and political/democratic accountability, as well as event and process transparency.	Investigates accountability and transparency practices in teaching hospitals in Ghana, contributing to understanding governance in a specific healthcare setting within a developing country context.
Kinyanjui, Gachanja & Muchai (2015)	Only 30% of faith-based primary care clinics in Kenya are technically efficient. Highlights the need for improved resource allocation and efficiency in healthcare delivery.	Explores the technical efficiency of faith-based primary care clinics in Kenya, addressing a gap in understanding the performance of healthcare institutions in a specific context.
Nicol et al. (2022)	Higher immunization levels in faith-based healthcare organizations in Africa compared to public facilities. Calls for rigorous research to assess the effectiveness of FBO interventions in strengthening healthcare systems.	Conducts a systematic review on the impact of faith-based healthcare organizations in Africa, contributing to understanding their role in improving healthcare outcomes and identifying areas for further research.
Aman et al. (2021)	Joint impact of corporate governance mechanisms and CSR practices on firm performance in Malaysian non-financial firms. Moderating role of board independence identified.	Explores the interplay between governance, CSR, and firm performance in the Malaysian context, addressing a gap in empirical research on corporate governance practices in specific geographical contexts.

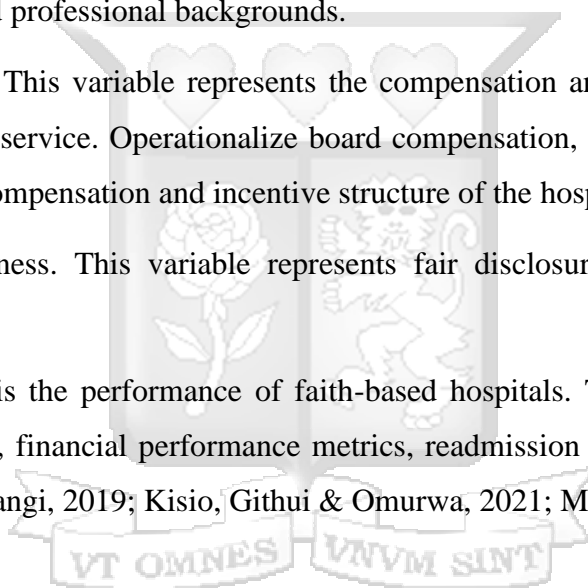
Study	Findings	Research Gap
Odhiambo (2019)	Positive influence of corporate governance practices on faith-based hospital performance in Kenya. Suggests the need for clear policies and board training to enhance governance effectiveness.	Investigates the association between corporate governance and hospital performance in faith-based healthcare institutions in Kenya, contributing to understanding governance practices in a specific sector and geographical context.
Muriithi (2020)	Significant positive association between governance mechanisms and performance of church-based organizations in Kenya. Highlights the importance of board composition, leadership structure, and accountability.	Examines the impact of governance on the performance of church-based organizations in Kenya, providing insights into governance mechanisms within a specific organizational context.
Andove (2019)	Statistically significant relationship between internal control practices and performance of faith-based healthcare facilities in Kenya. Highlights the importance of effective internal controls in enhancing performance.	Investigates the impact of internal control practices on the performance of faith-based healthcare facilities in Kenya, contributing to understanding governance practices in a specific healthcare setting and geographical context.

2.5 Conceptual Framework

This study included independent and dependent variables. The study contained dependent (hospital performance) and independent (corporate governance mechanisms) variables. Various studies indicated that corporate governance mechanisms include, but are not limited to, board composition, transparency & fairness, and board compensation (Gul, Kim, and Qiu, 2017; Samanta, 2019; André and Schiehl, 2017; Ruparelia & Njuguna, 2016). Based on the literature review and objectives, independent variables included:

- a. Board Composition: This variable in this study refers to the diverse expertise & skills of the board members. Operationalizing board composition, the study will consider several measures, including educational and professional backgrounds.
- b. Board Compensation: This variable represents the compensation and incentives provided to board members for their service. Operationalize board compensation, the study will look at the average board member compensation and incentive structure of the hospital.
- c. Transparency & Fairness. This variable represents fair disclosure of information among stakeholders.

The dependent variable is the performance of faith-based hospitals. The variable is measured using patient satisfaction, financial performance metrics, readmission rates, and quality of care (Wanjiku, Kiiru & Muchangi, 2019; Kisio, Githui & Omurwa, 2021; Mutunga, 2022).



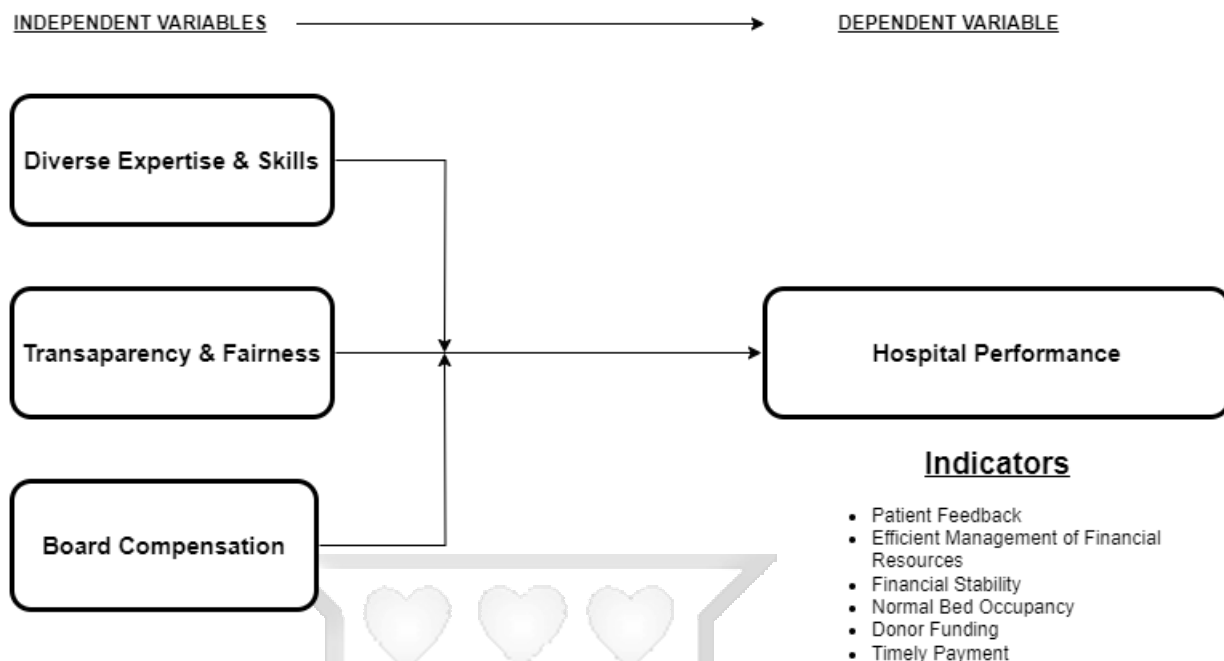


Figure 1: Conceptual Framework

Table 1 present how the variables presented in Figure 1: Conceptual Framework will be measured and analyzed.

Variable	Operational Definition	Operationalization
Board Composition (X1)	Diverse expertise & skills of board members in faith-based hospitals	- Diverse expertise & skills (X1)
Transparency & Fairness (X2)	Transparency, accountability, and fairness in information sharing/disclosure	- Transparency & Fairness (X2)
Board Compensation (X3)	Compensation and remuneration of board members	- Compensation of the board (X3): A degree in perception on the compensation of the board
Hospital Performance (Y)	Metrics measuring hospital performance	- Patient Satisfaction (Y1): A degree of perception on the quality of care provided
		- Financial stability (Y2): a degree of perception on the revenue growth of the hospital

		-Normal Bed Occupancy(Y3)
		-Efficient Management of Financial Resources (Y4)
		-Donor Funding (Y5)

Table 2:Operationalization of Variables

2.6 Summary of Hypotheses

Based on the literature review, the following hypotheses were developed:

- H1: Diverse skills, expertise, and experience in the board (the size of the board and presence of different board committees) is positively correlated with the performance of faith-based health facilities
- H2: Transparency & fairness is positively correlated with the performance of faith-based health facilities.
- H3: Boad compensation is positively correlated with the performance of faith-based health facilities.

2.7 Chapter Summary

In this chapter, a comprehensive examination of the interplay between corporate governance mechanisms and faith-based healthcare institutions' performance was done. It explored theoretical frameworks, identified research gaps, and introduced a conceptual framework. Agency Theory emphasized mitigating conflicts of interest to enhance performance through effective corporate governance mechanisms. It was also found that empirical studies, while diverse, often suffer from limitations like small sample sizes and regional specificity.

The research gap underscored the need for comprehensive investigations, especially in specific regions like Kirinyaga and Murang'a, to understand the corporate governance-performance relationship. The proposed conceptual framework introduced key independent variables (board independence, composition, and compensation) related to the dependent variable (hospital performance) measured by metrics like patient satisfaction, financial performance, and bed occupancy. Overall, this review laid the groundwork for a more in-depth exploration of corporate governance's impact on faith-based healthcare institutions' performance and highlighted the need for rigorous studies with larger samples to enhance understanding and applicability. Research

gaps found in the literature review can be bridged through a correlational research design. The next chapter presents the methodology used in the study.



CHAPTER THREE: METHODOLOGY

3.1 Introduction

In this chapter, the methodology, research philosophy, research design, sampling, data collection, and data analysis are presented. The primary objective of this study was to examine the relationship between corporate governance and hospital performance. By employing an appropriate methodology and considering research philosophy in quantitative analysis, this chapter sought to establish a robust framework for data collection, analysis, and interpretation, ultimately contributing to a comprehensive and reliable investigation.

3.2 Research Philosophy

Research philosophy served as the foundation for the overall approach and design of a research study. In the case of quantitative research, a specific research philosophy called positivism often justifies the use of a quantitative research design (Babbie, 2016). Positivism is a research philosophy rooted in the belief that the social world can be studied and understood using scientific methods similar to those used in the natural sciences (Creswell, 2014). It assumes that there is an objective reality that can be observed, measured, and explained through quantifiable data (Creswell, 2014). Quantitative research methods align well with this philosophy as they focus on gathering numerical data, employing statistical analysis, and testing hypotheses to draw generalizable conclusions (Creswell, 2014).

The justification for adopting a quantitative research design within a positivist research philosophy lies in its ability to provide objective and reliable findings. By collecting data through standardized and structured measures, quantitative research strives to minimize subjectivity and personal biases (Bryman, 2016). It enables researchers to analyze data using statistical techniques, allowing for the identification of patterns, relationships, and trends among variables (Bryman, 2016). Furthermore, quantitative research designs often employ large sample sizes, increasing the generalizability of the findings to a broader population (Creswell, 2014). This enhanced the study's external validity and contributes to the accumulation of knowledge within a particular field (Babbie, 2016).

The researcher is guided by a positivist research philosophy and will use a quantitative research design by emphasizing the objective nature of reality and the need for empirical evidence,

(Babbie, 2016). It supported the use of numerical data, statistical analysis, and large sample sizes to produce reliable and generalizable findings, ultimately contributing to the advancement of scientific knowledge (Creswell, 2014). The quantitative research design as justified by the positivist view was discussed in the following section.

3.3 Research Design

The study adopted a correlational quantitative research design. Quantitative research design is a rigorous approach that solely relies on the collection and analysis of numerical data to address research questions and test hypotheses. By focusing exclusively on quantitative methods, this research design offers distinct advantages in terms of data objectivity, statistical analysis, and generalizability. The rationale for using a quantitative research design lies in its ability to provide objective and reliable findings. Quantitative research employs standardized measurement instruments and structured data collection techniques, ensuring consistency and minimizing subjectivity (Babbie, 2016). By utilizing statistical analysis methods such as descriptive statistics, correlations, regressions, and hypothesis testing, researchers can identify patterns, relationships, and statistical significance among variables (Creswell, 2014).

Quantitative research design emphasized the importance of sampling techniques that allow for generalizability to a larger population. Random or stratified sampling methods are commonly employed to ensure the representativeness of the sample (Bryman, 2016). This was deemed to enhance the external validity of the findings, enabling researcher to make broader inferences beyond the specific sample.

By exclusively focusing on quantitative data, this research design prioritized efficiency and speed in data collection and analysis. Unlike qualitative research, which often involves extensive coding and interpretation of responses, quantitative research design allows for quicker data collection and processing (Creswell, 2014).

In summary, the quantitative research design is characterized by its emphasis on numerical data collection, statistical analysis, and generalizability. By adopting this approach, researchers can obtain objective and reliable findings, analyze data using statistical techniques, and draw conclusions that can be applied to a broader population.

3.4 Population, Sample Size, and Sampling

The population under study was the faith-based hospitals in Kenya. The researcher opted for Murang'a County and Kirinyaga County as the study's locations. The population, sample size, and sampling methods were discussed as:

3.4.1 Population

The population under study included board members, hospital management teams, and departmental heads of faith-based hospitals in Murang'a and Kirinyaga counties. These counties are seen to have a concentration of faith-based healthcare providers, which allowed for a more focused examination of the impact of corporate governance on their performance. There are five faith-based hospitals in these two counties. Based on the estimation, the population under study included 12 members of the board from each hospital, 6 hospital management teams, and 12 departmental heads.

3.4.2 Sample size

The sample size of the study was influenced by several factors: the level of precision, confidence level (95%), and the expected effective sample size. The larger the sample size the greater the precision and the statistical power. In this study, the tolerance level for the margin of error was 10% and the expected sample size was calculated as:

$$\text{Expected sample size, } n = \frac{(Z^2 \times p \times q)}{E^2}$$

Where Z is the Z-score at a 95% confidence level, p is the estimated proportion (use 0.5, if

Unknown), q=1-p, and E is the desired level of precision or margin of error (9%).

$$\text{Expected sample size, } n = \frac{(1.96^2 \times 0.5 \times 0.5)}{0.09^2} \cong 120$$

3.4.3 The sampling method

The study employed a stratified sampling approach. If a population constitutes distinct groups, it can be divided into sub-categories known as strata (Etikan & Babtope, 2019). A random sample can then be drawn from each stratum. In this study, the population was divided into three sub-categories: board members, hospital management teams, and departmental heads. Hence

stratified sampling method allowed for the inclusion of respondents from different professional levels, such as members of the board of governance, hospital management teams, and departmental heads. By stratifying the sample, the researcher ensured that the perspectives and experiences of various professionals within the hospitals are represented. The advantage of using stratified sampling is that it provided a more representative sample by considering different professional roles within the hospitals. It helps overcome potential bias in participant selection, as each stratum has an equal chance of being included in the sample. This probabilistic approach enhanced the study's validity and reduced the researcher's influence on participant selection.

3.5 Data Collection Methods

The primary data for this study was collected using a closed questionnaire. The questionnaire was designed to collect quantitative data. The questionnaire had three sections A, B and C as shown in Appendix 1. Section A of the questionnaire was designed to collect demographic variables (background information) such as gender, years of experience, and level of education. Section B of the questionnaire was designed to collect data on the independent (corporate governance mechanisms and structure) variables of the study. Section C of the questionnaire was designed to collect data on the dependent (the performance of faith-based hospitals) variables of the study. The questionnaire was designed to be self-administered and the researcher deployed the questionnaire to the respondents through a Google Form and received responses in real-time. To maximize the response rate, the researcher inquired with the hospital administrators to check the availability of the respondents (emails for Google Form delivery). This strategy eliminated the need for printing questionnaire and eased the data collection process. The researcher bore the logistical burden or costs associated with the data collection process.

3.6 Research Quality

Having designed the questionnaire, it was significant to understand how the variables would be measured and test whether they were valid and reliable. This section discussed variable measures, validity, and reliability of the questionnaire items.

Developing the validity of the quantitative scores is very important (Creswell & Creswell, 2017). The principles of reliability and validity were utilized to assess the quality of research. They reflected the accuracy with which a method, approach, or test measure something. The

consistency of a measure is referred to as reliability, whereas the correctness of a measure is referred to as validity.

Reliability assesses the consistency and stability of the research methodology, data collection process, and results. Cronbach's alpha tests are used to determine the reliability of multiple-question Likert scale questionnaires (Bonett & Wright, 2015). These questions assess latent variables, which are hidden or unobservable characteristics such as a person's conscientiousness, neurosis, or openness. In practice, these are extremely difficult to quantify. Cronbach's alpha measures how closely connected a group of test items is. Cronbach alpha will be determined using the following formula after the data is collected, using Two Factor ANOVA without Replication:

$$\text{Cronbach's Alpha, } \alpha = 1 - \frac{MS}{ME}$$

A value of α close to one indicates excellent internal consistency of the question items and so the variables being measured are highly reliable.

Since the study adopted quantitative research design and randomized sampling of each stratum, minimal biases would be expected to affect the outcomes of the study. The minimal the biases are in the study, the higher the reliability of the study (Kennedy, 2022). The closed questionnaire used implied a standardized way of collecting data. Standardization increased the reliability of the study as all respondents are subjected to the same questions. The reliability/quality of the research was conducted through PSPP statistical software and the results represented in Figure 2. Cronbach's alpha was 0.75 which is acceptable for internal consistency of the questionnaire.

RELIABILITY
 /VARIABLES= ES C TF PF EMFR NBO DF FS TP
 /MODEL=ALPHA.

Scale: ANY

Case Processing Summary

Cases	N	Percent
Valid	102	100.0%
Excluded	0	.0%
Total	102	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.75	9

Figure 2: PSPP Reliability Output

On the other hand, the validity of the study has been captured in the measures of independent and dependent variables. Indicators of each corporate governance mechanism are conceptually aligned with the objective of the study. Each variable has two indicators. For instance, indicators of board diversity are gender and expertise of the board members. Additionally, the questionnaire had also been validated to collect relevant data regarding the indicators of the study's variables. Validation in this context meant that the data collected is conceptually meaningful to the variable under measure.

3.7 Data Analysis

The purpose of this study was to find the relationship between corporate governance and management practices and faith-based hospital performance in Kenya. To achieve this purpose, the analysis of the data collected using PSPP statistical software will take a two-tire phase: descriptive and inferential statistics. Descriptive statistics provided an overview summary of the key variables using measures of central tendencies, including mean, standard deviation, mode, median, and skewness or kurtosis. The second part involved inferential statistics generated using a regression model or correlational analysis. The proposed regression model was as follows:

Hospital Performance (Y) = Board Expertise (X1) + Transparency & Fairness (X2) + Board Compensation (X3)

$$Y = X_1 x_1 + X_2 x_2 + X_3 x_3 + X_4 x_4 + b + \varepsilon$$

Where x_n = correlation coefficient, b = constant, and e = standard error.

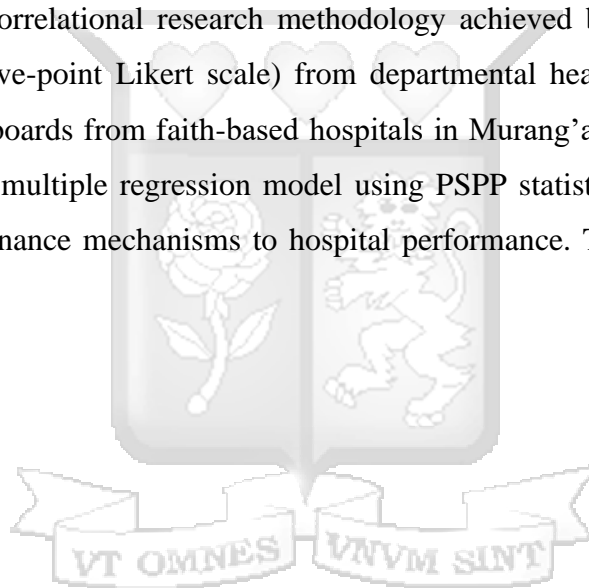
Simplified regression model:

$$\text{Performance} = \beta_1 * \text{Corporate Governance Mechanisms} + \varepsilon_1$$

After the analysis, the results were presented in tables. These visual tools were useful in the interpretation of results, drawing findings, and discussing them in relation to research questions and objectives.

3.8 Chapter Summary

The study presented a correlational research methodology achieved by collecting quantitative data (quantified using five-point Likert scale) from departmental heads, hospital management teams, and members of boards from faith-based hospitals in Murang'a and Kirinyaga Counties. The strategy was to use multiple regression model using PSPP statistical software to correlate between corporate governance mechanisms to hospital performance. The next chapter presents the results of the study.



CHAPTER 4: PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

In this Chapter, the results and outcomes of the study examining the influence of corporate governance mechanisms on the performance of faith-based hospitals, focusing on Murang'a and Kirinyaga Counties as case studies are presented. This chapter describes the sample and delves into both descriptive and correlational analyses to shed light on the relationship between corporate governance practices and hospital performance within the context of faith-based healthcare organizations. The purpose of this study was to investigate the perceived impact of corporate governance mechanisms on the performance of faith-based hospitals, as perceived by stakeholders (Directors, Departmental Heads, and Hospital Management Team) involved in these institutions.

4.2 Descriptive Statistics

The study targeted 120 respondents from faith-based hospitals in Kirinyaga and Murang'a Counties. After conducting the study, the response rate was 84% or 101 respondents. The respondents were grouped based on three demographics: level of employment/position, education level, and years of experience. Table 3 indicates that departmental heads took a relatively larger proportion of the respondents (42.2%), followed by board members (35.3%), and hospital management team (22.5%).

		Position			
		Frequency	Percent	Valid Percent-	Cumulative Percent
Valid	Board Member	36	35.3%	35.3%	35.3%
	Departmental Head	43	42.2%	42.2%	77.5%
	Hospital Management Team	23	22.5%	22.5%	100.0%
Total		102	100.0%		

Table 3: Level of Employment/Position

Table 4: Education level indicates that those respondents with college diploma took a relatively larger proportion of the respondents (46%), followed by bachelor's degree (43%), and post graduate degree (11%).

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bachelor's Degree	44	43.1%	43.1%	43.1%
College Diploma	47	46.1%	46.1%	89.2%
Post Graduate Degree	11	10.8%	10.8%	100.0%
Total	102	100.0%		

Table 4: Education Level

Table 5: Years of Experience indicates that those respondents with more than 6 years of experience were 42%, 3-5 years 29%, 1-2 years 20%, and those with less than a year were 9%.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-2 years	21	20.6%	20.6%	20.6%
3-5 years	30	29.4%	29.4%	50.0%
6-10 years	42	41.2%	41.2%	91.2%
Less than 1 year	9	8.8%	8.8%	100.0%
Total	102	100.0%		

Table 5: Years of Experience

Table 6 presents descriptive statistics involving measures of central tendency: mean, standard deviation, variance, kurtosis, skewness, and range. Since the variables were measured using a five-point Likert scale, the mean can indicate how respondents perceived each variable on average. A mean score closer to 5 indicates how respondents perceived each variable on average. Expertise & Skills (ES), Transparency & Fairness (TS), Compensation (C), and Patient Feedback (PF) had a mean score between 4 and 5, indicating the level of agreement on the effects of these variables on Hospital Performance. Other variables show a lean towards disagreement on their effects on hospital performance. Standard deviation and variance show the level of variability on

the responses. A lower variability (low standard deviation and variance) indicates that respondents' responses were harmonious and vice versa is true. Normal Bed Occupancy, Timely Payment, and Donor Funding generated a greater variability, indicating a relatively higher level of disagreement among respondents' responses. The data also shows that the responses were negatively skewed; implying that the data is tailed towards the left.

Descriptive Statistics

	N	Mean	Std Dev	Kurtosis	S.E. Kurt	Skewness	S.E. Skew
ES	102	4.42	.70	4.48	.47	-1.51	.24
C	102	3.76	.71	1.69	.47	-.66	.24
TF	102	4.10	.76	1.24	.47	-.71	.24
PF	102	4.13	.84	1.81	.47	-1.17	.24
EMFR	102	3.68	.77	-.17	.47	-.28	.24
NBO	102	3.66	.95	.51	.47	-.82	.24
DF	102	1.90	.97	-.11	.47	.80	.24
FS	102	3.55	.87	.32	.47	-.52	.24
TP	102	2.92	1.07	-.88	.47	-.14	.24
Valid N (listwise)	102						
Missing N (listwise)	0						

Table 6: Descriptive Statistics

Where;

ES = Expertise & Skills

C= Compensation

TF = Transparency & Fairness

PF= Patient Feedback

EMFR= Efficient Management of Financial Resources

NBO= Normal Bed Occupancy

DF = Donor Funding

FS = Financial Stability

TP = Timely Payments



4.3 Inferential Statistics (Multiple Regression Models)

The study sought to explore or delve into understanding the relationship between corporate governance mechanisms (expertise & skills, compensation, and transparency & fairness) and hospital management using a correlational design. The correlational design was implemented using a multiple regression model where corporate governance mechanisms are independent variables and hospital performance variables are dependent variables. Hence each dependent variable is regressed against all corporate governance mechanisms variables using this equation.

$$Y_{HP} = a_{ES} \cdot X_{ES} + a_C \cdot X_C + a_{TF} \cdot X_{TF} + a_I \cdot X_I + b + \varepsilon$$

Coefficients, a , indicate the kind of relationship the dependent variables have with an independent variable in question. In the regression model, Multiple R shows the degree to which the variables fit the model. The results of the regression models can be presented in Table 7.

Coefficients of Independent Variables (p values)				
Independent Variables	Expertise & Skills	Compensation	Transparency & Fairness	R ²
Patient Feedback	-0.13(0.312)	0.05 (0.601)	0.44(0.001)	0.38
Efficient Management of Financial Resources	0.08(0.565)	0.11(0.277)	0.11(0.453)	0.22
Normal Bed Occupancy	0.07(0.582)	0.20(0.044)	0.20(0.128)	0.38
Donor Funding	-0.13(0.808)	-0.02(0.855)	0.01(0.919)	0.03
Financial Stability	0.20(0.135)	0.12(0.240)	0.08(0.576)	0.31
Timely Payments	-0.05(0.685)	0.14(0.173)	0.31(0.022)	0.34

Table 7: Regression Results

Patient Feedback (PF) was regressed against corporate governance mechanisms and outcomes presented on Table 6: Patient Feedback Regression Model. R Square indicates that variables are 38% fit to the regression model. Transparency & Fairness showed a significant positive correlation with patient feedback and timely payments. Compensation of the hospital boards indicated a positively correlations with normal bed occupancy of faith-based hospitals. The regression model of donor funding showed a weak fit of variables (R² = 3%).

4.4 Testing Hypotheses

H1: Diverse skills, expertise, and experience in the board (the size of the board and presence of difference board committees) is positively correlated with the performance of faith-based health facilities

Regression models indicate that diverse skills, expertise, and experience have no statistical relationship with hospital performance (efficient management of resources, normal bed occupancy, and financial stability) as $p > 0.05$. Hence, H1 is rejected.

H2: Efficient remuneration policies and procedures for the board (board compensation) are positively correlated with the performance of faith-based health facilities.

The regression model indicates that the compensation of the board is positively correlated with normal bed occupancy (a measure of hospital performance considered in this study). This positive relationship is statistically significant. The results found no other associations with other measures of performance. However, H4 cannot be rejected.

H5: Transparency & Fairness is positively correlated with the performance of faith-based health facilities.

Regression models indicate that transparency & fairness have a statistical positive relationship with patient feedback and timely payments; and negatively correlated with financial stability. However, the only statistically significant positive relationship between transparency and fairness is patient feedback and timely payments. Hence, H5 cannot be rejected.

4.5 Summary of Findings

The regression analysis explored the relationship between corporate governance mechanisms and hospital management. Transparency & Fairness demonstrated a significant positive correlation with patient feedback and timely payments, while Compensation was positively associated with normal bed occupancy. However, Efficient Management of Financial Resources, Donor Funding, and Financial Stability did not exhibit significant relationships with hospital performance. Hypotheses testing revealed that diverse skills, expertise, and experience in the board did not significantly correlate with hospital performance, rejecting the first hypothesis. Yet, efficient remuneration policies, represented by board compensation, positively correlated with normal bed occupancy, supporting the second hypothesis. Transparency & Fairness, as hypothesized,

positively correlated with patient feedback and timely payments, but not significantly with financial stability. These findings underscore the importance of transparency, fairness, and appropriate compensation policies in improving certain aspects of hospital performance.



CHAPTER FIVE: DISCUSSION

5.1 Introduction

In this chapter, we discuss the findings presented in Chapter 4 regarding the influence of corporate governance mechanisms on the performance of faith-based hospitals in Murang'a and Kirinyaga Counties. The chapter delves into the implications of these findings, explores potential explanations, and addresses the broader significance of the study. Additionally, we identify limitations and suggest avenues for future research.

5.2 Discussion

Interpreting the findings of the literature review reveals several critical insights into the relationship between corporate governance mechanisms and the performance of faith-based healthcare institutions. The comprehensive exploration of theoretical frameworks such as Agency Theory, coupled with empirical evidence from various contexts including Kenya and other countries, highlights the multifaceted nature of governance-performance dynamics.

5.2.1 Expertise and Skills

One key finding underscores the positive correlation between diverse expertise & skills among board members and hospital performance. Studies by Chen, Hsieh & Hsiao (2021) and Muiruri (2018) demonstrate that boards comprising individuals with varied backgrounds and competencies, including finance, healthcare management, and legal affairs, are better equipped to make informed decisions, mitigate risks, and drive organizational growth. This emphasizes the importance of strategic board composition in ensuring effective governance and enhancing organizational performance.

5.2.2 Transparency & Fairness

Another significant implication arises from the association between transparency & fairness in governance practices and improved hospital performance. Research by Abor & Tetteh (2023) and Kinyanjui, Gachanja, & Muchai (2015) suggests that transparent communication, ethical decision-making processes, and equitable treatment of stakeholders contribute to organizational resilience and sustainability. By fostering accountability and trust among stakeholders, transparent governance practices mitigate agency problems, enhance organizational efficiency,

and ultimately lead to better healthcare outcomes. This highlights the critical role of governance in promoting organizational integrity and ensuring the delivery of high-quality healthcare services.

5.2.3 Board Compensation

Furthermore, the positive correlation between board compensation and hospital performance underscores the importance of aligning incentives with organizational objectives. Studies by Cardinaels (2019) and Shay, Patrick & White, and Kenneth (2013) indicate that fair and competitive compensation packages can attract qualified individuals to serve on boards, incentivizing them to actively engage in governance activities and contribute to strategic decision-making processes. By appropriately rewarding board members for their contributions, healthcare institutions can enhance governance effectiveness, foster board engagement, and drive sustainable organizational performance.

Despite these valuable insights, it is essential to acknowledge the limitations of the existing literature. Many studies relied on self-reported data or small sample sizes, which may introduce bias and limit the generalizability of the findings. Additionally, the context-specific nature of many studies restricts their applicability to different healthcare settings and regions. Future research should address these limitations by utilizing larger, more diverse samples, incorporating objective performance measures, and exploring the transferability of findings across diverse cultural, regulatory, and organizational contexts. By adopting a holistic approach, considering diverse governance mechanisms, and embracing interdisciplinary perspectives, future studies can contribute to enhancing governance practices and driving improvements in healthcare delivery and outcomes.

5.2.4 Limitations and Future Directions

While the existing literature provides valuable insights into the relationship between corporate governance mechanisms and the performance of faith-based healthcare institutions, it is important to recognize and address the limitations inherent in the studies reviewed. One significant limitation is the reliance on self-reported data, which may introduce response biases and inaccuracies. Many studies utilized surveys or questionnaires to collect data on governance practices and hospital performance, relying on respondents' perceptions rather than objective metrics. This subjective nature of data collection may compromise the reliability and validity of

the findings, highlighting the need for alternative data sources and methodologies to corroborate and supplement self-reported data.

Moreover, several studies suffered from small sample sizes, limiting the generalizability of their findings. The majority of research focused on specific regions or countries, such as Kenya or Ghana, which may have unique contextual factors influencing governance-performance dynamics. This regional focus restricts the applicability of findings to broader healthcare contexts, necessitating more extensive and diverse samples to capture the heterogeneity of governance practices and their impact on hospital performance across different settings. Future research should strive to adopt a more comprehensive and representative approach, encompassing a wider range of healthcare institutions and geographical regions to enhance the external validity of findings.

Another limitation of the existing literature is the lack of longitudinal studies that examine the dynamic nature of governance-performance relationships over time. Many studies employed cross-sectional designs, providing snapshots of governance practices and performance outcomes at a single point in time. While cross-sectional studies offer valuable insights, they fail to capture the temporal dynamics and causal relationships between governance mechanisms and hospital performance. Longitudinal studies tracking changes in governance structures and performance indicators over time can provide a more nuanced understanding of the complex interplay between governance and performance, facilitating more robust causal inferences and predictive modeling.

Furthermore, the majority of studies focused predominantly on financial performance metrics, such as return on assets or profitability, neglecting other dimensions of hospital performance such as patient outcomes, quality of care, and stakeholder satisfaction. Healthcare organizations, especially faith-based institutions, operate within a broader social and ethical framework, where performance encompasses not only financial indicators but also the delivery of compassionate, patient-centered care and adherence to ethical principles. Future research should adopt a more holistic approach to performance measurement, incorporating a diverse array of indicators to capture the multidimensional nature of healthcare performance and the effectiveness of governance mechanisms in driving overall organizational success.

Lastly, there is a need for more comparative studies that examine governance-performance dynamics across different types of healthcare institutions, including public, private, and nonprofit organizations. While many studies focused on faith-based hospitals, comparative analyses with secular or government-run healthcare facilities can offer valuable insights into the unique contributions and challenges of faith-based governance models. By comparing governance practices and performance outcomes across diverse institutional contexts, researchers can identify best practices, inform policy decisions, and promote cross-sectoral learning and collaboration aimed at improving healthcare delivery and outcomes for all stakeholders.

5.3 Conclusion

In conclusion, this dissertation explored the intricate relationship between corporate governance mechanisms and the performance of faith-based healthcare institutions, with a focus on Murang'a and Kirinyaga Counties in Kenya. Through an extensive review of theoretical frameworks and empirical studies, key insights have emerged regarding the impact of governance practices on hospital performance. Theoretical foundations, particularly Agency Theory, have provided a lens through which to understand the dynamics of governance mechanisms within healthcare organizations. Agency Theory underscores the importance of aligning the interests of stakeholders, particularly between principals (such as shareholders or governing boards) and agents (such as management teams), to mitigate conflicts of interest and enhance organizational performance. The literature review has highlighted the significance of monitoring and incentive mechanisms in promoting effective governance and driving positive performance outcomes.

Empirical studies have offered valuable evidence regarding the relationship between specific governance mechanisms and hospital performance. Findings suggest that diverse expertise and skills among board members, transparency and fairness in decision-making processes, and appropriate compensation structures are associated with improved performance metrics such as patient feedback, normal bed occupancy, and financial stability. However, limitations in data collection methods, sample sizes, and study designs underscore the need for further research to validate and expand upon these findings.

Despite these limitations, this dissertation contributes to the existing body of knowledge by synthesizing theoretical perspectives, empirical evidence, and practical implications for stakeholders within the healthcare sector. By elucidating the mechanisms through which

governance practices influence hospital performance, this research provides valuable insights for policymakers, healthcare administrators, board members, and other stakeholders seeking to enhance the effectiveness and efficiency of faith-based healthcare organizations.

5.4 Recommendations

Based on the findings presented in this dissertation, several recommendations can be proposed to enhance the governance practices and performance of faith-based healthcare institutions. Firstly, it is imperative to strengthen the composition of the governing boards by ensuring diversity in expertise and skills among board members. This can be achieved by recruiting individuals with backgrounds in healthcare management, finance, law, and strategic planning, thereby bringing a wealth of knowledge and perspectives to board deliberations. Continuous professional development and training programs should also be encouraged for board members to keep them abreast of evolving industry trends and best practices. Additionally, the inclusion of stakeholders such as community representatives, healthcare professionals, and patient advocates can further enrich board discussions and decision-making processes.

Secondly, efforts should be made to enhance transparency and fairness within the organization. Clear and comprehensive disclosure policies should be implemented to promote transparency in financial reporting, executive compensation, and decision-making processes. Creating a culture of openness and accountability where stakeholders have access to relevant information and opportunities for meaningful engagement is essential. Establishing mechanisms for addressing conflicts of interest and ensuring fair and equitable treatment of all stakeholders, including patients, staff, and community members, is crucial for building trust and fostering positive relationships.

Thirdly, a review of compensation structures is recommended to ensure alignment with organizational goals, stakeholder interests, and industry benchmarks. Performance-based compensation models that tie executive remuneration to measurable outcomes such as patient satisfaction, quality of care, and financial sustainability should be considered. Regular reviews of compensation packages conducted by external experts or consultants can help ensure competitiveness and fairness in compensation practices.

Moreover, fostering a culture of continuous improvement is essential for driving organizational success. Promoting a culture of learning and innovation where staff are encouraged to identify

areas for improvement and contribute to problem-solving initiatives can lead to enhanced performance outcomes. Establishing feedback mechanisms to gather input from patients, employees, and other stakeholders on their experiences with healthcare services provided can inform quality improvement efforts and drive positive change.



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APPENDICES

Appendix I: Letter of Introduction

Dear Sir/Madam,

I would like to invite you to participate in a research study on the topic of influence of corporate governance mechanisms on the performance of faith-based hospitals in Murang'a and Kirinyaga hospitals. I am a researcher at Strathmore University, and I am conducting this study as part of fulfilling my Master of Business Administration (MBA) in Healthcare Management.

Your participation in this study will involve filling a brief questionnaire. The study will ask you about your experiences with corporate governance and your opinions on the factors that contribute to it. The survey should take no more than 10 minutes of your time to complete.

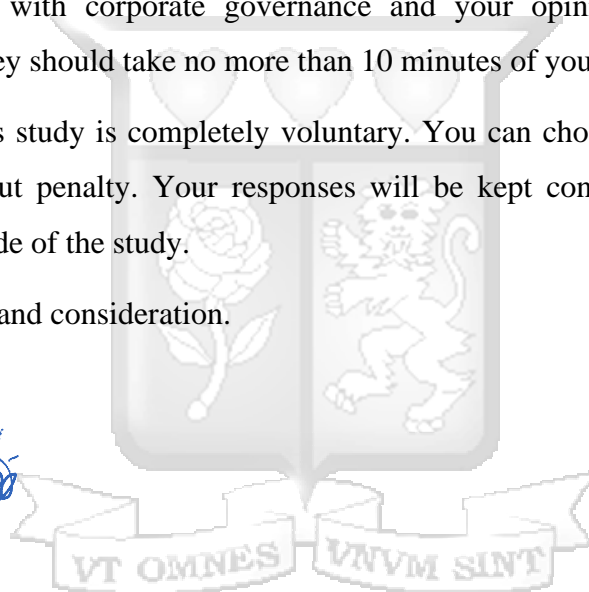
Your participation in this study is completely voluntary. You can choose to withdraw from the study at any time without penalty. Your responses will be kept confidential and will not be shared with anyone outside of the study.

Thank you for your time and consideration.

Sincerely,



John Kathobia Muchiri







Appendix I: Questionnaire

1/2/24, 1:56 PM

Questionnaire Fr. John Muchiri

Questionnaire Fr. John Muchiri

THE INFLUENCE OF CORPORATE GOVERNANCE MECHANISMS ON THE FAITH-BASED HOSPITALS' PERFORMANCE: A CASE STUDY OF MURANG'A AND KIRINYAGA COUNTY

The purpose of this interview is to collect your opinion on The relationship between corporate governance and the performance of faith-based hospitals.

*

The survey planned to take not more than 10 minutes

*

Anonymity of the interviewee will be maintained at all cost

*

Your **NAME** is **NOT REQUIRED**

*

There are no right or wrong response! I am asking for your expression based on experiences, opinions and feelings on this subject for theoretical and practical application.

Appendix I: Research Instrument

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Questionnaire Fr. John Muchiri

Section A: Background Information

Collecting demographic data to understand how corporate governance mechanisms are affected by level of employment, education, and work experience.

1. Level of Employment *

Mark only one oval.

- Board Member
 Hospital Management Team
 Departmental Head

2. Level of Education *

Mark only one oval.

- O-Level
 College Diploma
 Bachelor's Degree
 Post Graduate Degree

3. Years worked in the Institution *

Mark only one oval.

- Less than 1 year
 1-2 years
 3-5 years
 6-10 years

Section B: Corporate Governance Mechanisms

[Please indicates the level of agreement on each question based on the assessment of your hospital]

4. Corporate Governance Mechanisms *

Mark only one oval per row.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The presence of gender diversity in the board of directors of this hospital positively contributes to effective decision-making and governance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The board of this hospital has a diverse range of expertise and skills that enhances its ability to make informed and effective decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The compensation provided to board members is commensurate with their responsibilities and contributions to the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transparency and fairness in determining board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Questionnaire Fr. John Muchiri

members
contribute to
effective board
governance
and
accountability
in this hospital

The board
members
provide
impartial
oversight and
ensure
accountability

The level of
independence
of the board
from hospital
management
and ownership
is effectively
demonstrated

Section C: Performance

5. *

Mark only one oval per row.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The hospital receives patient feedback regularly and keep on acting on Continuous Quality Improvement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The hospital efficiently manages its financial resources to minimize delays in payments and maintain a balanced budget.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The hospital often operates at a normal capacity/bed occupancy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The hospital often depends on donor funding to meet its financial obligations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The hospital demonstrates financial	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix II: Ethics Approval Letter



20th November 2023

Mr Kathobia Muchiri John,
kathobiajohn20@gmail.com

Dear Mr Kathobia,

RE: The Influence of Corporate Governance Mechanisms on the Faith-Based Hospitals' Performance: A Case Study of Murang'a and Kirinvaga County

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1909/23**. The approval period is from **20th November 2023 to 19th November 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.


Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC




Appendix III: NACOSTI License

Republic of Kenya

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **903484** Date of Issue: **15/December/2023**

RESEARCH LICENSE




This is to Certify that Fr. John Kathobia Muchiri of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in on the topic: THE INFLUENCE OF CORPORATE GOVERNANCE MECHANISMS ON THE FAITH-BASED HOSPITALS' PERFORMANCE: A CASE STUDY OF MURANG'A AND KIRINYAGA COUNTY for the period ending : 15/December/2024.

License No: **NACOSTI/P/23/31897**

Applicant Identification Number: **903484**

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

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