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**Factors That Influence The Uptake Of Corporate Governance Practices In Mission
Hospitals In Nairobi County - Kenya**

Carren Atieno Owuor

122820

**Submitted in Partial Fulfillment of the Requirement for the Award of the Master's Degree
in Business Administration in Health Care Management at Strathmore University**



May, 2024

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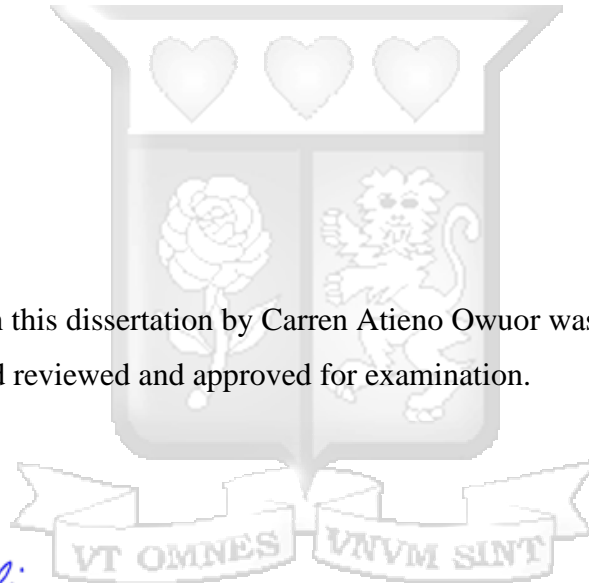
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Dr. Tela Kivuli

Signature: 

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Strathmore University



ABSTRACT

This study assessed factors influencing the uptake of Corporate Governance Practices (CGP) in Mission Hospitals in Nairobi County, Kenya, examining the CGP, challenges encountered, and best practices implemented. Grounded in Stakeholder Theory and Agency Theory, the research targeted Mission Hospitals sponsored by the Kenya Conference of Catholic Bishops (KCCB) with a 100-bed capacity or more within Nairobi County. A mixed-method research design was adopted and a census approach employed due to the small nature of the target population. Data was collected from 72 respondents, comprising board members, trustees, owners, directors, top managers using structured questionnaires and Key Informant Interviews (KII). Out of 60 distributed questionnaires, 48 were fully completed and returned (80% response rate) while 12 were poorly completed or not returned at all. All 12 key informants participated in the interviews (100% response rate), ensuring high representativeness and generalization of study findings. The study revealed a robust adoption of CGP in mission hospitals, supported by a high cumulative mean score of 3.542 and a standard deviation of 0.920. Qualitative interview insights reaffirmed the hospitals' commitment to CGP adoption, emphasizing clear governance structures and formalized decision-making processes. Significant relationships were identified between independent variables (Vision, Empowerment, Engagement, Accountability, Stewardship) and Dependent variables (CGP uptake), with stakeholder engagement emerging as a potent enabler in the uptake of CGP. Challenges in implementing CGP included resistance to change, limited resources, regulatory complexities, and cultural considerations, requiring leadership commitment and organizational alignment for effective mitigation. Best practices for enhancing CGP uptake included having a shared strategic direction, empowerment of the Board, robust stakeholder engagement and enhancing Board accountability. Regression analysis supported stakeholder engagement's significance, rejecting the null hypothesis (p -value=0.032). Recommendations included active stakeholder involvement in governance processes, investment in board training and development, and engaging stakeholders in the vision-setting process. Future research should explore corporate governance practices' contribution to Hospital management across private and government sectors.

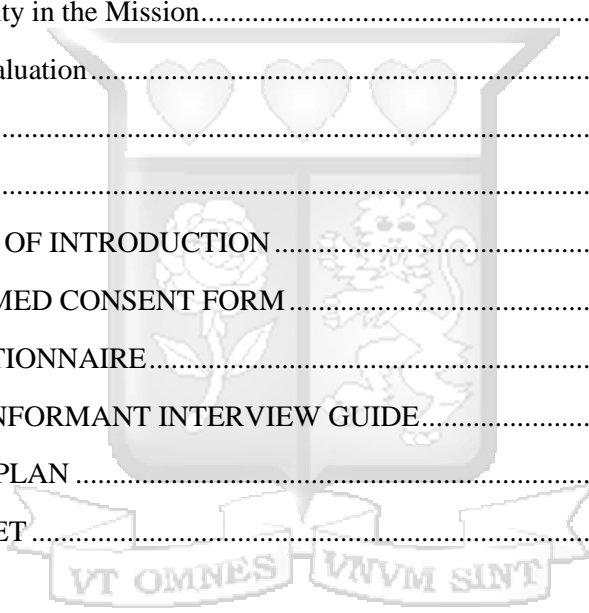
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LIST OF ABBREVIATIONS & ACRONYMS

BOARD – Hospital Board, Board of Directors & Board of Trustees

CEO - Chief Executive Officer

CG - Corporate Governance

CGP - Corporate Governance Practices

CHAK: Christian Health Association of Kenya

FBO - Faith-Based Organization

GC - General Council

KCCB: Kenya Conference of Catholic Bishops

MOH: Ministry of Health

MSH - Management Science for Health

NACOSTI- National Commission for Science, Technology and Innovation

NGO: Non-Governmental Organization

NVivo - Qualitative data analysis software

OECD - Organization for Economic Co-operation and Development

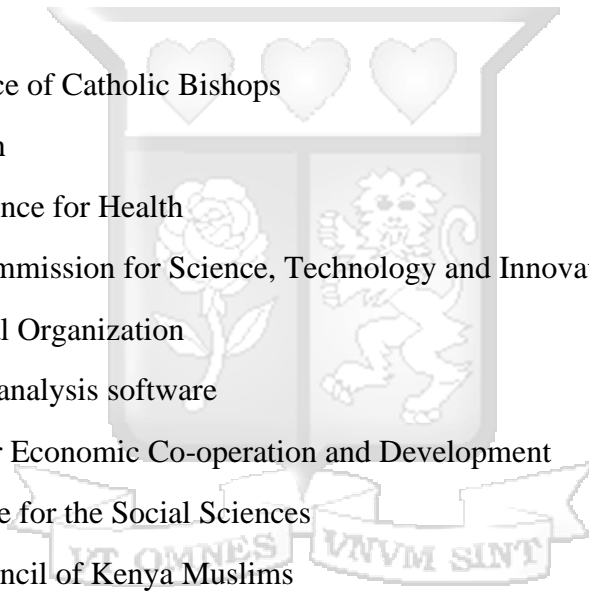
SPSS - Statistical Package for the Social Sciences

SUPKEM: Supreme Council of Kenya Muslims

SU-ISERC - Strathmore University Institutional Scientific and Ethical Review Committee

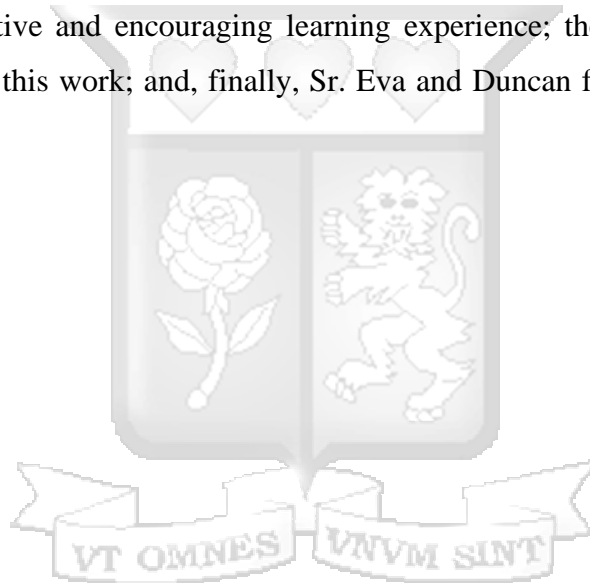
UK - United Kingdom

WHO: World Health Organization



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DEDICATION

I wish to dedicate this dissertation to my mom Jeniffer & late Dad Ibrahim and my siblings especially Rosie (Atoti) for the motivation to soldier on and complete this work. For my friends in the academic field, Celle, Ciru, Neks & Fr. Omondi, whose unwavering love, support and inspiration have filled my soul and inspired me to pursue and complete this dissertation.



CHAPTER ONE:

INTRODUCTION TO THE STUDY

1.1 Introduction

The chapter presents the background information associated with Factors that Influence the Uptake of Corporate Governance Practices in Mission Hospitals. The problem statement, research objectives, research questions, scope of the study and it concludes with significance of the study.

1.1.1 Background of the Study

Corporate governance (CG) definitions vary broadly according to the context. However, a modestly acceptable definition is a system by which organizations are directed, controlled & held accountable (Zalewska, 2014; Mulili & Wong, 2011). It is how corporations behave in terms of performance, efficiency, growth, financial structure, and treatment of stakeholders (OECD, 2021). In addition, CG integrates social structures and economic frameworks into organizational systems to allow organizations to take responsibility for their decisions and actions by creating an enabling environment where the right questions are asked and controls are set to ensure a long-term sustainable value add for the organization and its stakeholders (Brown, 2019). Therefore, CG calls for organizations to balance economic and community goals (Gacheru, 2018).

After major corporate scandals and the globalization of businesses, global demand for corporate reforms and better regulations is rising (Njuguna, 2018; Waweru, 2014). The Maxwell business empire collapsed in the UK; for example, highlighting governance issues sparked debates about executive power controls, resulting in the Cadbury Code of Best Practice in 1992, which advocated for the establishment of independent audit committees to address governance challenges (Mulili & Wong, 2011; Waweru, 2014). Interestingly, the corporation flop and crashes in stock markets were not the only impetus to CG adoption, but also the realization that good CG is critical for global economic sustainability (Mulili & Wong, 2011).

Good corporate governance reduces risks, improves & boosts efficiency, and prevents resource mismanagement by increasing accountability, transparency, and responsibility (Mohamad, 2004). Nations continue to adopt CG in the management of organizations, focusing on improving accountability, sustainability and robustness of decision inputs from various stakeholders (Philippon & Braithwaite, 2008). Therefore, the role of Corporate Governance as a transparency and accountability measure for organizations cannot be underrated (Philippon & Braithwaite, 2008).

Mission hospitals established by religious missionaries are healthcare institutions that provide medical services to underserved communities (Khanyetsi, 2023; Crabtree, 2023). These hospitals operate under the auspices of religious organizations adhering to the mission and values of their founding faith. Despite facing challenges such as weak governance structures and financial constraints due to reduced subsidies, these institutions continue to collaborate with government agencies and other healthcare providers to address public health challenges (Asante, 2007; Khanyetsi, 2023; Crabtree, 2023). This study looks into factors that influence CGP in mission Hospitals in Nairobi County.

1.1.2 Corporate Governance Practices

Corporate Governance practices (CGPs) are the rules that guide how a board operates. They are used by boards and management to run their companies and create value for stakeholders (Arnwine, 2002; Mulili & Wong, 2011; OECD, 2021). These practices include policies, institutions and the balance of power, with a focus on transparency and accountability (OECD, 2021). According to the Management Science for Health (MSH) Annual Report (2015) and Sikipa et al. (2019), these practices in the health sector include setting a shared strategic direction, empowering the board, ensuring accountability, engaging stakeholders and stewardship of resources. Figure 1.1 below summarizes these practices.

Figure 1.1 Corporate Governance Practices



Source: MSH Annual Report (2015)

1.1.3: The Uptake of Corporate Governance Practices

The uptake of Corporate Governance Practices (CGP) is influenced by factors such as the organizational framework and resource accessibility, as highlighted by Alexander et al. (1998). However, developing countries face challenges in adopting ideal CGP due to unique economic and political systems, weak legal systems, and insufficient human resource competencies (Mulili and Wong, 2011; Waweru, 2014). Adoption in non-profit institutions like Mission Hospitals varies based on board momentum, resource availability, and stakeholder pressures (Alexander et al., 1998). In Kenyan hospitals, including Mission Hospitals, CGP adoption promotes institutional growth, quality improvement, and financial performance (Waweru, 2014). The clarity of the board's role also contributes to CGP uptake (Arnwine, 2002; Waweru, 2014). However, concerns persist regarding openness, accountability, and resource management, hindering global CGP adoption, particularly in hospitals (Letting, 2012; Eeckloo et al., 2004; Pirozek et al., 2015). Resource constraints and revenue streams also impede CGP implementation in Kenyan hospitals. Waweru (2014), for example, investigated how institutional factors like Board size, firm performance, and audit quality affect the quality of corporate governance in listed financial institutions in Kenya and South Africa. Kinyeki et al. (2018) investigated how Board size affects the delivery of health services in Kenyan county hospitals. Kalume (2012) examined the effect of financial constraints on the uptake of corporate governance in private for-profit hospitals in Kenya's coastal province.

While CGP implementation can enhance hospital performance, it requires policy support and system coordination to increase uptake. Compared to other institutions, research on CGP adoption in Mission Hospitals is limited yet, these Mission Hospitals have unique characteristics, such as serving the poor in resource-limited areas which may affect CGP adoption differently from other hospitals (Kalume, 2012; Waweru, 2014; Mishra, 2016)

1.2 Problem Statement

Not-for-profit organizations, including mission hospitals, are facing financial and competitive pressures from various stakeholders, which has created an environment that favors the adoption of corporate governance practices (Mulili & Wong, 2011). Hospital boards play a crucial role in providing oversight and governance, ensuring that the hospital operates in a manner that is consistent with its mission, values, and objectives. However, many boards in mission hospitals do not take on an active role in strategy formulation, environmental adaptation, and monitoring of hospital management leading to a range of problems in the uptake of CGP (Mkaya, 2017; Mulili & Wong, 2011). Despite the global drive to adopt and implement CGP to ensure organizational legitimacy and sustainability, Mission Hospitals seem slow to adopt these practices, resulting in governance challenges, financial & operational inefficiencies, stakeholder dissatisfaction, industrial unrest, mass exodus of skilled healthcare workforce, threat of closure, Legal tussles among others (Njuguna, 2018; Ndege, 2016; Mishra, 2016). Yet, the pain points for this low uptake have received little research attention.

Healthcare experts argue that traditional methods of hospital governance are no longer relevant, as nonprofit hospitals can no longer afford the luxury of passive stewardship. One of the primary reasons for this problem is that many mission hospital boards are composed of individuals who may lack the necessary expertise and experience to effectively govern a complex faith-based healthcare organization (Ndege, 2016; Mishra, 2016). According to Ndege (2016), Board members may have backgrounds in business, finance, or law, but they may not have a deep understanding of the principles and values of Mission Hospitals, which makes it difficult for them to make informed decisions about strategy and management and be a source of conflict with the owners.

Stakeholder dissatisfaction is a significant consequence of poor corporate governance. When an organization fails to engage with its stakeholders effectively, discontent, mistrust, and even

protests ensue. Industrial unrest also stems from unsuccessful stakeholder engagement, as employees may feel undervalued, overworked, and underpaid. In mission hospitals in Kenya, a mass exodus of skilled workers is being witnessed due to poor working conditions and inadequate remuneration, resulting in a severe shortage of qualified & experienced medical personnel (Njuguna, 2018; Mishra, 2016). Board members and top management of mission hospitals have been reported to resign from their positions, possibly due to poor corporate governance practices and other intricate challenges (Mkaya, 2017; Ndege, 2016).

Despite these challenges, little attention has been given to research on the nuances and reasons behind these problems especially in Mission Hospitals in Nairobi County. This study assessed the identified gaps and provided insights into the status and strategies to improve CGP adoption in mission hospitals in Nairobi County for growth and sustainability.

1.3 Research objectives

The research was guided by one general objective and three specific objectives.

1.3.1 Broad Objective

The broad objective was to assess factors that influence the uptake of corporate governance practices in Mission Hospitals in Nairobi County.

1.3.2 Specific objectives

The study was guided by the following specific objectives.

1. To examine corporate governance practices within mission hospitals in Nairobi County,
2. To identify challenges encountered in implementing corporate governance practices within mission hospitals in Nairobi County,
3. To assess perceived best practices for corporate governance implemented by mission hospitals in Nairobi County.

1.4 Research Questions

The study sought to answer the following specific questions:

1. What are the specific corporate governance practices employed within mission hospitals in Nairobi County?
2. What are the main challenges faced when implementing corporate governance practices within mission hospitals in Nairobi County?
3. What are the perceived best practices in corporate governance adopted by mission hospitals in Nairobi County?

1.5 Scope of the Study

The study examined the corporate governance practices within mission Hospitals in Nairobi County, identified the challenges encountered in implementing corporate governance practices in these hospitals and lastly assessed the perceived best practices for corporate governance implemented by the Mission Hospitals. The researcher chose mission hospitals in Nairobi County as the study setting because they are key players in the provision of healthcare services in Kenya, serving approximately 40% of the Kenyan population (Ndege et al. 2022), and thus must adhere to good governance practices for long-term sustainability and donor confidence. Furthermore, the researcher noted that legal cases were increasing in mission hospitals, posing a threat to their viability and emphasizing the need to fix the deficiencies. Nairobi County was identified as a hub of hospitals, including Mission Hospitals, hence providing an ideal study environment.

The study targeted Mission hospitals in Nairobi County with a bed capacity of 100 and above and involved 72 purposively sampled respondents who included the Hospitals' Trustees, the Sponsoring congregation's top leadership known as the General Council (GC), Boards and the Top management. The study was limited to the CGP within the health sector as described by the MSH Annual Report (2015) including Board accountability, stakeholder engagement, setting a shared strategic direction, stewardship of resources and continuous Board capacity building and empowerment.

1.6 Significance of the Study

This research holds paramount significance in shedding light on the corporate governance landscape within faith-based organizations, specifically mission hospitals in Nairobi County. By examining the governance practices in these institutions, the study contributes to the broader understanding of governance dynamics in the healthcare sector. The findings of this research have the potential to inform policy decisions, drive organizational improvements, and enhance the quality of healthcare services provided by mission hospitals. Additionally, the study provides valuable insights for academic discourse, facilitating further research endeavors in the field of corporate governance within faith-based organizations.

1.6.1 Policymakers

Policymakers stand to benefit significantly from the insights generated by this study. By gaining a deeper understanding of the corporate governance practices within mission hospitals, policymakers can develop targeted interventions and regulatory frameworks to promote transparency, accountability, and efficiency in healthcare service delivery. The findings of this research can inform policy decisions aimed at strengthening governance mechanisms within faith-based organizations, ultimately leading to improved healthcare outcomes for the population served by mission hospitals.

1.6.2 Academic Institutions and Scholars

Academic institutions and scholars in the field of corporate governance find value in this study as it contributes to the existing body of knowledge on governance practices within faith-based organizations. The research provides a comprehensive analysis of governance dynamics in mission hospitals, offering valuable insights for further academic inquiry and scholarly discourse. By addressing a gap in the literature, this study lays the groundwork for future research endeavors and enhances understanding of governance challenges and opportunities within the healthcare sector.

1.6.3 Development Partners

Development partners play a crucial role in supporting mission hospitals and promoting healthcare development in Nairobi County. The findings of this study can inform the strategic initiatives and interventions undertaken by development partners to enhance governance practices within faith-based organizations. By aligning their efforts with the identified challenges

and opportunities, development partners can maximize their impact and contribute to the sustainable improvement of healthcare service delivery in the region.

1.6.4 Local Communities

Local communities served by mission hospitals are directly impacted by the governance practices of these institutions. Through the enhancement of transparency, accountability, and efficiency in governance, mission hospitals can improve the quality of healthcare services and patient outcomes. The findings of this study have the potential to empower local communities by fostering trust and confidence in the healthcare system, ultimately leading to improved health and well-being within Nairobi County.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter reviews literature associated with the determinant of factors that influence the uptake of CGP in Mission Hospitals in Nairobi County. The chapter begins with the theoretical and empirical literature. The review covers the corporate governance practice, the challenges encountered in implementing corporate governance practices, and evaluates the best practices for corporate governance implemented by mission hospitals in Nairobi County. The chapter also compares and contrasts various views of other scholars to help establish the study gaps emanating from the Literature reviews.

2.2 Theoretical Framework

A Theory is defined as a set of generalizations about variables and the relationships among those variables (Al-Ababneh, 2020). This section presents the theoretical foundation for the current study, which aims to address factors influencing the uptake of corporate governance practices (CGP) in mission hospitals in Nairobi County, Kenya. The study adopts Stakeholder Theory and Agency Theory to provide a comprehensive framework for understanding these factors, highlighting their concepts and limitations.

2.2.1 Stakeholder Theory

Stakeholder Theory by Freeman (1984) highlights the importance of considering diverse stakeholder interests in organizational decision-making. It posits that stakeholders e.g government bodies, political groups, trade associations and communities, should all be considered in governance processes (Abrams, 1951). The Theory emphasizes the need for organizations to balance the interests of various stakeholders to ensure each constituency receives some degree of satisfaction (Abrams, 1951). This approach recognizes that companies exist within society and have responsibilities beyond maximizing shareholder value (McDonald & Puxty, 1979).

The Stakeholder Theory informs policy frameworks, international conventions and administrative transformations by advocating for inclusive decision-making processes that consider the needs and concerns of all stakeholders (Freeman et al., 2004). Through striving to

satisfy the diverse interests of stakeholders within Mission Hospitals, organizations can contribute to societal well-being and economic development. Mission Hospitals have a wide range of stakeholders both from the health sector and the faith base. It was of value to explore the status of stakeholder management in Mission Hospitals in Nairobi County and its relation to the uptake of CGP and get strategies to improve uptake using the stakeholder engagement mechanisms in place.

2.2.2 Agency Theory

The Agency Theory developed by Jensen and Meckling in 1976, elaborate on the relationship between principals and agents within organizations. It posits that managerial interests may diverge from those of principals often prioritizing personal monetary gains over the interests of shareholders (Jensen & Meckling, 1976). The agency relationship arises when principals delegate tasks to agents to act on their behalf. In the context of corporate governance, this relationship is pivotal with the Board of Directors serving as the governing body responsible for approving managerial decisions and overseeing their execution. Managers in turn function as agents of shareholders with the expectation that their actions will align with maximizing shareholders' wealth. Similarly, Malina (2013) emphasizes that agency theory identifies self-interested managerial behavior as a central concern in corporate governance. This behavior often stems from the principal-agent relationship where managers may prioritize their interests over those of the principals. It sheds light on how factors such as board size, composition and diversity influence governance practices in healthcare service delivery. Furthermore, it provides a framework for evaluating accountability structures, information access, quality and transparency which are critical in ensuring effective governance within the mission Hospital.

Moreover, Agency Theory is instrumental in understanding corporative governance practice variables where owners act as principals and healthcare managers serve as agents in decision-making processes. By examining healthcare service delivery through the lens of Agency Theory, stakeholders can assess factors such as accessibility, efficiency and individual public satisfaction thereby enhancing general healthcare governance. The Agency Theory serves as a foundational framework for understanding the principles of corporate governance, particularly within mission hospitals in Nairobi County. Its insights into the principal-agent relationship and its implications

for governance practices are invaluable for addressing the factors influencing the uptake of corporate governance practices in these healthcare institutions.

2.3 Empirical Review

This section includes a review of the empirical literature on CGPs and their uptake, challenges encountered in implementing these CGPs within Mission Hospitals and best practices used to improve their adoption.

2.3.1 Corporate Governance Practices

There is growing interest in CGP globally because the success of nations, communities and individuals is closely associated with the ability to create, strengthen and maintain profitable, competitive and sustainable firms (Gatamah, 2004). The practices are particularly critical in coping with corporate governance issues in emerging nations, which tend to lack well-established financial institutions and legal infrastructure. Various firms define and uptake these practices according to their unique circumstances (Hutchinson & Gul, 2004). It is therefore expected that these practices will differ significantly among companies (Nam & Nam, 2004). According to the MSH Annual Report (2015), the main corporate governance practices necessary for efficient governance in the health sector entail continually assessing and improving governance, creating Board accountability, involving stakeholders, establishing a common strategic direction for the firm, and ensuring good stewardship over all entrusted resources. These practices are detailed below.

2.3.1.1 Cultivating Accountability

Corporate governance accountability is based on transparency, morality, social justice, and oversight (Hutchinson & Gul, 2004). Openness and transparency enable corporate governance (MSH, 2010). To whom are mission hospitals accountable? They must inform donors, sponsors, regulatory bodies, and the communities they serve how they use their resources. It's still unclear how to make sure that mission hospitals and everyone else involved are held accountable. Mission hospital boards, management, and top leadership are rarely elected, so the public has no way to hold them accountable (Ndege et al., 2022). Boards must ensure legal and ethical compliance to promote accountability in their oversight role. Griffin & Moorhead (2011) note

that many failures and scandals in corporate governance are attributable to a break in the ethics within the governance Structures. Therefore, Boards must carefully craft codes of conduct that promote independence and avoid conflict of interest as ethical issues in accountability. According to a recent systematic study by Ndege et al. (2022), mission hospitals are taking accountability seriously due to the increased focus on monitoring their activities and pressure from various stakeholders.

2.3.1.2 Engagement with Stakeholders

Stakeholders in the hospital setting are individuals, groups of people or institutions that are served by or benefit from the hospital, or influence or are influenced by the hospital (Aaronson & Evashwick, 2019). They include the MOH, owners, regulatory bodies, suppliers, healthcare workforce, patients & their relatives, donors/funders, and purchasers of health services like insurance among others (Aaronson & Evashwick, 2019). Njuguna (2018) defines stakeholder engagement as identifying and involving key stakeholders in long-term partnerships. The engagement should be deliberate and go beyond one-way communication to a shared decision authority (Aaronson & Evashwick, 2019). Further, Aaronson & Evashwick (2019) asserts that Stakeholders need to be informed, consulted, involved, collaborated with and empowered with timely information for decision-making. Corporate governance stakeholder engagement also requires participation, representation, inclusion, diversity, gender responsiveness and conflict resolution (MSH, 2015; Njuguna, 2018). According to empirical research, effective boards actively engage stakeholders to improve decision-making, commitment, and cooperation (Parmar et al., 2019). Thus, effective stakeholder engagement requires long-term, mutually beneficial stakeholder relationships.

According to the stakeholder theory, businesses must consider the interests of their stakeholders when making management decisions (Mallin, 2016). Therefore, while the board is not required to participate in mission hospitals' planned stakeholder engagement programs (Gaturu et al., 2017), it must ensure that the hospital is aware of key stakeholders, and their demands and considers them when making decisions and formulating the corporate strategy for normative or practical reasons.

2.3.1.3 Setting a Shared Strategic Direction

Leadership and management processes enable stakeholder alignment, management and corporate governance (LeMay & Ellis, 2008). Furthermore, stakeholder buy-in makes strategic goals easier to develop and achieve. Corporate governance practices should boost customer satisfaction, health, and innovation. Leaders must articulate and motivate a system-wide vision (Ndege et al., 2022). Stakeholders should have opportunities to participate in governance issues through meetings with shareholders, whether in person or online (Gao et al., 2020). Notably, it is in these high-end gatherings, such as the AGM, that a forum for voting on significant corporate matters that affect the organization's governance and strategy is provided (Yermack, 2010). The board, which provides strategic options for the institution (Letting, 2012), should collaborate with management to align strategic thinking and operations (Ng'eno, 2009). Corporate governors should organize, strategize and track the vision while advocating for governance operations (Ng'eno, 2009). Without strong leadership, mission hospitals cannot maximize governance and administration.

2.3.1.4 Stewardship of Resources

Financial sustainability and social responsibility are the guiding values of corporate governance when it comes to the management of resources. The quest for efficiency, sustainability and performance measurement makes these ideas possible (LeMay & Ellis, 2008). Stewardship is the moral use of public resources in search of economically advantageous results (LeMay & Ellis, 2008). Efficient and successful achievement of resource stewardship entails the mobilization, allocation, and safeguarding of organizational resources. Thus, Accounting is recognized under the stewardship notion of governance in mission hospitals as a crucial instrument for keeping track of the shareholder-manager relationship (Ndege et al., 2022). Ndege et al. (2022) further add that authentic accounting and auditing in mission hospitals are both designed as monitoring tools and as trustworthy financial reports which amount to qualities that investors have traditionally sought for making investment decisions. Thus, mission hospitals' executives, managers and benefactors must raise and distribute funds and other resources prudently to achieve their goals.

2.3.1.5 Board Empowerment

Scholars have shown that independent assessment of Board activities and processes improves board member engagement and performance (Prybil et al., 2008). Hence, the board should capitalize on the resources needed to objectively evaluate its performance against established standards and improve its structure, practices, and performance, rather than performing regular but mechanical non-value-added self-evaluation. To improve governance, boards should regularly review their organization, membership, and key skills. Objective evaluation and development programs boost Board members' engagement and performance (Ndege et al., 2022). In this regard, a strong orientation of the Board, Training and development program are key indicators of good governance. Unfortunately, Njuguna (2018) found that few boards in mission hospitals have explicitly assigned responsibility for board orientation, education and development to a standing board committee, suggesting that this crucial duty may be done informally or not at all. Despite all, planned, deliberate and effective decisions by corporations to develop strategies to improve the adoption and implementation of elements that empower the board are crucial for the uptake of other CGPs.

2.4 Conceptualization of Corporate Governance in the Healthcare Industry

The procedures and processes by which health bodies manage, coordinate and regulate their operations to accomplish organizational goals and connect with their partners and the broader community amount to the definition of corporate governance in healthcare (Jamali et al., 2010). This ability to effectively interact with the community is a crucial element of corporate governance in the health sector (Jamali et al., 2010). Healthcare corporate governance includes the non-clinical parts of care delivery that ensure financial and operational success by providing value for money, as illustrated by Bennington (2010).

According to the World Health Organization (WHO) (2021), healthcare governance requires strategic policy frameworks, adequate supervision, appropriate rules and incentives, health system design, and accountability. Governance oversees private and public healthcare systems to protect the public, according to Abimbola et al. (2017). Corporate governance in healthcare requires political and technological support to balance competing demands for limited resources in changing conditions like rising stakeholder expectations. Abimbola et al. (2017) found that all healthcare systems practice elements of accountability, transparency, and disclosure. Fair and

equitable laws and incentives improve healthcare governance (WHO, 2021). Healthcare corporate governance system design must also align strategy and structure and reduce redundancy and fragmentation (Bennington, 2010).

The study by Freeman, Millar, Mannion and Davies (2016) sheds light on the enactment of corporate governance in healthcare safety and quality within hospital boards in England. By employing a dramaturgical framework, the researchers analyzed the performative aspects of board members in discharging their accountabilities for patient safety. The study based on qualitative data from non-participant observation of NHS Hospital Foundation Trust boards, identified differences in the processing and interpretation of infection control data among different case study sites. Practices such as the legitimization of current performance, querying of data classification, and naming and shaming of executives were detailed to understand their implications.

In Lebanon, Nasr (2017) explored hospital governance in non-profit private hospitals, emphasizing the relationship between corporate and clinical governance. Using mixed methods including quantitative surveys and qualitative interviews, the study examined the governance processes in a sample of Lebanese hospitals and their impact on performance. Findings revealed clear methods of performance measurement and good clinical performance but highlighted management deficits, particularly the absence of monetary incentives due to corporate governance events. The study illuminates employees' perspectives on hospital governance, questioning traditional theoretical approaches and emphasizing the importance of stakeholder involvement and external factors in internal hospital governance.

Etale and Tueridei (2020) examined the effect of corporate governance on the financial performance of listed healthcare sector companies in Nigeria. Their study revealed significant associations between financial performance and certain corporate governance variables, such as board independence and managerial ownership. They recommended that healthcare sector companies prioritize compliance with corporate governance structures to enhance financial performance.

Abor (2015) investigated the effects of healthcare governance and ownership structure on hospital performance in Ghana. The findings highlighted the positive impact of governing boards

on hospital performance, with mission-based and private hospitals exhibiting better performance than public hospitals. This underscores the importance of effective governance structures in healthcare settings.

Kinyua and Ngari (2021) focused on corporate governance's influence on performance in public hospitals in Embu County, Kenya. Their study emphasized the significance of board characteristics in determining hospital performance. Despite partial compliance with corporate governance, the study revealed gaps in full implementation, indicating the need for enhanced governance practices to optimize hospital performance.

Gaiku, Lewa, and Senaji (2016) explored the relationship between corporate governance and the performance of health sector non-governmental organizations (NGOs) in Nairobi County, Kenya. Their findings underscored the importance of effective governance in improving healthcare service delivery. The study highlighted the role of board size, CEO duality, accountability structures, and resource allocation in influencing service delivery outcomes, emphasizing the need for robust governance mechanisms in healthcare NGOs.

Despite the recognized importance of stakeholder engagement, accountability mechanisms in mission hospitals often face challenges. Ndege et al. (2022) highlight concerns regarding accountability, given the limited avenues for public accountability due to the non-elected nature of mission hospital boards and management. However, recent studies indicate a growing commitment to accountability in mission hospitals, driven by increased monitoring and pressure from stakeholders.

2.5 Mission Hospitals in Kenya.

To comprehend mission hospitals in Kenya, one must first understand the organization of the Kenyan healthcare system. The healthcare system is divided into three major sectors: the public sector (MOH and parastatals), the private for-profit sector, and the private not-for-profit sector (Faith Based Organizations (FBO) and Non-Governmental Organizations (NGO)). The FBOs are further classified as Catholic-sponsored (KCCB), Protestant-sponsored (CHAK) and Muslim-sponsored (SUPKEM). They are a significant stakeholder in Kenyan health service delivery, accounting for nearly 25% of the total healthcare infrastructure (Muga et al. 2005) and serving close to 40% of the Kenyan population (Ndege et al., 2022; Njuguna, 2018). This research focused on the KCCB-sponsored Mission Hospitals in Nairobi County.

Early in the 20th century, missionaries from other continents, particularly those from Europe, built medical facilities on their properties called Mission Hospitals. The Mission hospitals, like any other organization, have corporate governance structures (Ndege et al., 2022). Despite their significant contribution, most of these hospitals' corporate governance processes are assumed to be opaque and unstructured, lacking accountability and full disclosure (Ndege et al., 2022). The boards of mission hospitals are frequently made up of religious leaders who select experts to run their institutions (Chait et al., 2011; Ndege et al., 2022). Although these institutions' overall performance and service delivery quality may be improved if corporate governance and strategic decision-making are aligned, good corporate governance standards have not yet been prioritized and established in most of their strategic planning (Ndege et al., 2022).

2.6 Implementation challenges of corporate governance practices

Fahlevi, Vional and Pramesti (2022) explored the potential of blockchain technology in corporate governance, particularly in Indonesia while acknowledging the benefits of blockchain in enhancing transparency and accountability, they highlighted the challenge of stakeholder acceptance. Despite its potential to revolutionize financial record-keeping, stakeholder buy-in remains essential for successful implementation. Agnihotri and Arora (2021) investigated corporate governance processes in government hospitals focusing on emerging markets like India. They emphasized the complexity of governance in healthcare settings, which encompasses economic, financial and societal dimensions. The study identified patient comfort, doctor-patient interactions and operational efficiency as indicators of effective governance. However, achieving effective governance in government hospitals requires navigating regulatory frameworks and societal responsibilities.

Achiro (2022) research delved into the impact of corporate governance on the performance of National Health Service (NHS) hospitals in England. Despite the importance of governance structures, the study revealed significant challenges including the negative impact of certain governance indicators on financial and non-financial performance. Board expertise, diversity, and CEO gender were found to have mixed effects, highlighting the complexity of governance dynamics in healthcare organizations. Leach et al. (2021) explored distributed leadership in healthcare, particularly its influence on hospital outcomes. While distributed leadership offers a promising approach to improving performance, the study identified communication barriers

within hospital hierarchies. Leadership dyads emerged as a potential solution, facilitating communication between different layers of hospital leadership. However, overcoming entrenched hierarchical structures requires innovative approaches to leadership and organizational dynamics. Kong et al. (2022) examined barriers to international collaboration in neuro-oncology clinical trials, particularly in Australia. Funding constraints and insufficient research time were identified as major obstacles, hindering participation in international research efforts. The study emphasized the importance of embedding clinical research targets into institutional funding and streamlining ethics processes to facilitate international collaboration.

Rockson (2021) conducted a case study on Vodafone Ghana to explore CSR practices within the instrumental theories framework. The study revealed that Vodafone Ghana's CSR activities align with shareholder value enhancement, competitive advantage, cause-related marketing and corporate philanthropy under the instrumental theory. The company's CSR efforts primarily focus on marketplace and community engagement, emphasizing promotional activities and corporate social investment.

Kisanga (2021) adopted a multi-theoretical perspective to understand the governance of Mutual Health Organisations (MHOs) in South Kivu, Democratic Republic of Congo. The study highlighted the complexity of MHO governance and the inadequacy of individual theoretical approaches in explaining governance dynamics. It proposed an integrated theoretical framework combining stakeholder theory, agency theory, neo-institutional framework, and resource dependency theory to better understand MHO governance. Badr (2023) investigated the governance of health professions education in Sudan and its implications for graduate appropriateness to population health needs. The study revealed complex governance dynamics influencing the quantity, quality and relevance of health workforce graduates. Structural, relational and process-related factors contributed to both gains and limitations in graduate appropriateness, highlighting the need for governance interventions to address imbalances.

Mugisha et al. (2020) explored the challenges and strategies for effective rehabilitation among obstetric fistula patients at Kitovu Mission Hospital, Uganda. The study identified socioeconomic, institutional, and political challenges hindering rehabilitation efforts for obstetric

fistula patients. It emphasized the importance of improved political commitment, adequate funding and resource allocation to support effective rehabilitation programs.

Solomon et al. (2022) assessed the practice of healthcare governance among department heads and managers of public health institutions in Northeast Ethiopia. The study revealed suboptimal governance practices in the health sector with less than 40% of participants practicing good governance. Training, job descriptions, and peer-sharing opportunities were associated with better governance practices while political interference and young age were negatively associated.

Mbugua (2018) highlighted the significant role of Mission Hospitals in providing healthcare to medium and low-income citizens in Kenya, particularly in Nairobi City County. The evolution of Mission Hospitals from religious institutions to professionally managed healthcare facilities under organizations like CHAK and KCS reflects changing societal needs and organizational structures. Nuhu et al. (2020) explored challenges in health service delivery under public-private partnerships (PPPs) in Tanzania focusing on the Dar es Salaam region. Despite the potential of PPPs to improve healthcare, challenges such as inadequate resources, ineffective monitoring and insufficient consultations hinder their effectiveness. The study emphasizes the importance of strengthening PPPs through better implementation mechanisms and adherence to partnership agreements.

Mwende (2023) investigates the impact of corporate governance practices on the performance of Mission Hospitals in Nairobi City County, Kenya. Through examining factors like board size, independence, accountability and responsiveness, the study sheds light on how governance influences hospital performance. The findings underscore the importance of effective governance practices in enhancing hospital performance and resource utilization. Corporate governance practices in healthcare, particularly within mission hospitals are essential for ensuring accountability, transparency and effective management. Research conducted globally and locally sheds light on the challenges and opportunities in implementing these practices. Globally, studies such as those by Grace et al. (2018) focus on the adoption of corporate governance practices by banks in Nairobi County, Kenya, emphasizing the impact of knowledge and comprehension on adoption rates. Meanwhile, local studies, like that of Mutuku (2012) on private hospitals in

Kiambu County, Kenya, reveal barriers such as resource constraints and lack of awareness hindering implementation efforts. Ndege (2016) explores sustainability challenges in mission hospitals across several Kenyan counties pointing out funding constraints and a reliance on user fees as significant threats to both sustainability and governance implementation. Furthermore, studies like Nondo (2018) on mission hospitals in Malawi and Zambia highlight governance challenges including exclusion from decision-making, emphasizing the need for stakeholder involvement. Kalume (2012) examines corporate governance in private hospitals in Kenya's coastal region, noting challenges in balancing sustainability with community poverty. Furthermore, Abdulkadir (2014) discusses internal control challenges in coastal faith-based NGOs, underscoring the importance of formal controls for organizational trust and support.

2.7 Best Practices for Corporate Governance Implementation

Several studies have contributed valuable insights into corporate governance practices and their impacts on various aspects of organizational performance. Rusydi et al. (2020) conducted a comparative analysis of good corporate governance principles on human resources performance in two hospitals in South Sulawesi, Indonesia, revealing significant differences in how responsibility, fairness, accountability and transparency influenced hospital governance and employee performance. Rehman (2021) explored the relationship between sustainable corporate governance (SCG) and the internal audit function within Omani public listed companies, demonstrating a significant and direct association between SCG and internal audit function, indicating the importance of SCG in enhancing control functions and attracting foreign investment. Al Mohammed (2020) delved into perceptions of hospital quality of care governance and accreditation among healthcare workers in the United Arab Emirates, emphasizing the pivotal role of hospital leadership in accreditation processes and the crucial role of effective governance in implementing quality improvement programs and enhancing patient care outcomes. Archibald et al. (2022) presented the design and implementation of Mackenzie's Mission, a project aimed at providing accessible reproductive genetic carrier screening (RGCS) to Australian couples, with a focus on assessing program acceptability, feasibility, outcomes, psychosocial implications, and implementation considerations. Prasantha et al. (2020) investigated the level of corporate social responsibility (CSR) disclosure in annual reports of Sri Lankan listed companies and evaluated the impact of corporate governance characteristics on CSR disclosures, finding significant influences of board duality, board independence, audit

committee and board size on the extent of CSR disclosures. These studies collectively highlight the importance of effective corporate governance practices in enhancing organizational performance and achieving strategic objectives.

Several studies have contributed valuable insights into the relationship between corporate governance mechanisms and various aspects of organizational performance in the healthcare sector. Afriyie et al. (2020) investigated the effects of corporate governance mechanisms on the financial performance of hospitals, highlighting the positive impact of independent directors on financial metrics such as return on assets and net profit margin. Ibrahim El-Sayed Aly & Mohamed El-Sayed Ghoniem (2021) explored the application of shared governance as a strategy for organizational excellence in a university hospital setting, emphasizing the importance of collaboration among healthcare personnel and the need for effective governance structures. Abdelrahim et al. (2023) conducted a scoping review of occupational health and safety (OSH) governance in Sudan, identifying challenges related to legislation enforcement and proposing an integrated governance model to enhance OSH governance. Gile et al. (2022) analyzed the influence of strategic human resource management (HRM) practices on employee outcomes, organizational outcomes and patient outcomes in Ethiopian public hospitals, highlighting challenges related to government regulations and implementation issues. Esther et al. (2021) assessed the factors contributing to high employee turnover rates and their impact on organizational performance in a mission hospital in Tanzania, emphasizing the importance of addressing salary scales, management skills and working conditions. Finally, Mulumba et al. (2021) presented a case study of Uganda, examining how colonial legacies have shaped community participation in health system governance and emphasizing the need for decolonizing health governance to ensure meaningful participation and public trust in health systems. These studies collectively underscore the critical role of effective governance mechanisms in improving performance and promoting accountability in healthcare organizations.

Nginyo (2018) undertook a study to look into the corporate governance practices and competitive advantage of Kenya's KenolKobil Company Limited. The degree of corporate governance practices in KenolKobil was determined by the study. The study employed a descriptive research design and used questionnaires and interviews to gather data. The results showed a moderate level of corporate governance practices, with most operations in KenolKobil

adopting corporate governance-related policies and procedures attributable to the degree of knowledge and comprehension of corporate governance practices and strategic management principles that contributed to the adoption of these practices.

In his doctoral dissertation, "Corporate Governance Practices and Implementation of Universal Healthcare Strategy in Machakos County-Kenya," Obino (2022) addresses the challenges facing service delivery in public institutions and the increasing demand for compliance with corporate governance practices. Focusing on Machakos County in Kenya, the study aims to determine how corporate governance practices facilitate the implementation of universal health care strategy (UHS). Drawing on theories such as Agency Theory, Upper Echelon Theory, and Stakeholder Theory, the research adopts a case study design. The findings reveal that board structure, internal controls, transparency, and risk management have been instrumental in the successful execution of UHS in Machakos County. However, challenges such as lack of communication and corruption hinder implementation efforts. To address these challenges, the study recommends establishing clear lines of communication to ensure timely dissemination of information to stakeholders and beneficiaries of UHC. Additionally, it suggests providing training on risk management practices, especially concerning market risks, for employees at all levels. Lastly, the study proposes automating internal control systems to enhance accuracy in transactions and efficiency in processes like procurement and communication, thereby fostering transparency and effectiveness in UHS implementation.

Musyula (2014) conducted a study examining Action Help International, a Kenyan NGO, focusing on the relationship between NGO performance and governance initiatives, staffing, and financial stability. Using a census survey of all 49 staff members at the NGO, the study employed regression analysis to analyze the data revealing a correlation between improved hospital financial management and accountability measures. The research emphasized the importance of effective and sustainable organizations in benefiting society, achieved through wealth creation, job provision, transparency, accountability to stakeholders and maintaining a positive reputation both locally and globally. The study highlighted potential strategies for increasing the adoption of Corporate Governance Practices (CGP).

2.8 Research Gap

The existing literature reveals several gaps in understanding the uptake of corporate governance practices (CGP) in organizations, particularly in the context of mission hospitals. Despite studies such as those by Mulili and Wong (2011), Grace et al. (2018) and Nginyo (2018), the role of top religious and spiritual leaders in influencing the adoption of CGP remains underexplored. The influence of these leaders who often own mission hospitals on governance and CGP adoption is a significant gap in the literature. Moreover, while recent research by Ndege et al. (2022) sheds light on the dependence of mission hospital boards on religious leaders and their potential lack of diverse skill sets, there is still limited understanding of how this dynamic affects CGP implementation. Furthermore, while previous studies like those by Bamberger & Mulligan (2011), Mutuku (2012) and Kalume (2012) provide valuable insights into CGP adoption in private hospitals, they overlook the influence of political factors, legal frameworks, and challenges specific to mission hospitals. In addition, the focus on external stakeholders' perspectives, such as investors and regulatory bodies, is lacking in the literature. Another gap identified is the limited attention given to faith-based hospitals in Kenya, with most studies focusing on private or public hospitals. Finally, despite discussions on the extent of CGP adoption, there is a dearth of literature addressing the challenges to the uptake and implementation of these practices. In general, these gaps emphasize the need for further research to understand the complexities of CGP adoption in mission hospitals and develop strategies to strengthen their uptake.

Table 2.1 Summary of the Knowledge Gap from Some of the Literature Reviewed

Author	objective	Findings	Knowledge identified	gap
Ndege et al. (2022)	Systematically analyze corporate governance procedures and effectiveness in faith-based hospitals in Kenya	Mission hospitals heavily rely on religious leaders for board leadership, lacking diverse expertise, which poses governance risks. Shared strategic direction significantly enhances performance improvement compared to board accountability.	The study was limited in methodology & scope being a desktop study using secondary data and evaluating two CGP. The current study uses primary data in a mixed	

			method and expands the CGP scope to include three others.
Mulili and Wong (2011)	Investigate implementation challenges of corporate governance practices in developing countries, focusing on Kenya.	Many Kenyan companies struggle with implementing corporate governance practices due to limited understanding, resources, and political interference, hindering effectiveness.	This study was limited in Context and scope, looking at businesses in general without addressing the Mission Hospitals which are a unique entity.
Fusheini et al. (2016)	Study on CGP in public hospitals in South Africa	Low level of adoption of CGP due to lack of financial resources and knowledge of CGP	Contextual gap as the study focused on public hospitals in South Africa as opposed to Mission Hospitals in Kenya
Mutuku (2012)	Examined CGP in private hospitals in Kiambu County.	Lack of funding, ignorance of the CGP, and insufficient experience are the main causes of the adoption difficulties observed.	Contextual gap having focused on Private and For-Profit hospitals in Kiambu County in Kenya vs the Not-For-Profit Mission Hospitals
Grace et al. (2018)	Evaluated adoption status and challenges within the banking sector in Kenya.	CGP Banks embraced CGP more widely. Understanding and knowledge of the CGP made this possible. Primary obstacles were insufficient financial and human resources	Context: Financial sector (Banks) as opposed to the Mission Hospitals (Health)
Nginyo (2018)	Explored best practices for implementing corporate governance	Moderate levels of corporate governance practices observed, influenced by knowledge and	There was a contextual gap with the study concentrating on the Oil

practices in Kenyan comprehension of governance & gas company as companies, with a principles and strategic management, opposed to the health focus on KenolKobil. contributing to organizational sector addressed in the effectiveness and competitive current study. advantage.

Nondo (2018) Enhance church-led Hospital staff and civil society The literature lacks focus on stakeholder healthcare management members feel excluded from on stakeholder through a qualitative management decision-making. involvement and study on mission Pastoral care based on church community voices in hospitals in Malawi governance lacks healthcare governance and and Zambia. management and stakeholder partnerships within faith-based hospitals, involvement. Integration of pastoral care and secular management training necessitating further research to address

Kalume (2012) Investigate corporate The majority of private hospitals in Limited to private for-profit hospitals and lacked governance standards Kenya's coastal region exhibit good the description of and challenges in corporate governance standards. governance challenges. private hospitals in However, new governance challenges. Political factors, legal Kenya's coastal region such as balancing sustainability with community poverty status arise. frameworks, and external stakeholders' influence on CGP in Mission hospitals are overlooked, indicating a need for comprehensive discussions and inclusion in future research.

Abdulkadir (2014) Highlight problems Coastal faith-based NGOs rely on External controls' role in with internal controls conservative and ad hoc control enhancing accountability in faith-based NGOs in measures to achieve financial in the faith-based sector is Kenya's Coast objectives. Implementation of formal overlooked, indicating a

province. internal controls enhances knowledge gap that performance, despite drawbacks. requires further exploration to ensure a comprehensive look at internal controls, emphasizing the need to assess external controls for governance practices. enhanced accountability

Musyula (2014) Studied Corporate Governance Practices within Action Aid International - According to the study, accountability made better financial management possible. Moreover, stakeholder engagement provided a positive image and donor confidence, which further facilitated the adoption of CGP. Given that the study was conducted in the Coast province and the NGO sector, there was a contextual gap. Furthermore, a methodological discrepancy between a mixed-methods approach and a census survey was found.

Bamberger & Mulligan (2011) Looked at CGP in businesses in the USA High-level adoption, enabled by the degree of knowledge and comprehension of corporate governance practices and strategic management principles. In addition, the availability of financial and human resources as well as political stability. Contextual and methodological gaps were identified as the study looked at CGP in the USA and used a quantitative research method. The Current study was carried out in Kenya and used a mixed-method approach to address the research objectives.

Source: Research (2024)

2.9 Conceptual Framework

This conceptual framework visualizes the links between the variables in the study. It directs the inquiry into the factors influencing the adoption of corporate governance principles in Nairobi County's mission hospitals. The study's conceptual framework is based on literature reviews. The model guided the study and addressed conceptual and empirical literature gaps.

2.9.1 Independent Variable

According to Mugenda & Mugenda (2019), an independent variable (IV) is one that a researcher can manipulate to assess its effect on the dependent variable. The first IV in the study was the corporate governance practices. Corporate governance practices within mission hospitals are characterized by transparency, accountability, good coordination and the delivery of quality healthcare services. Transparency involves open communication and the availability of information to stakeholders. Accountability ensures that individuals and teams are responsible for their actions and outcomes. Good coordination refers to the efficient collaboration among different departments and stakeholders. Quality healthcare services are the ultimate goal, ensuring patients receive the best possible care.

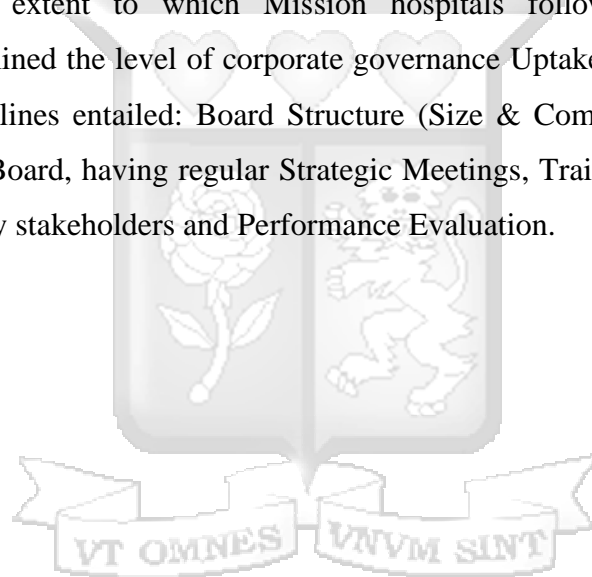
The second IV was the Challenges faced by the hospital in the quest to adopt CGP. include resource constraints, inadequate governance frameworks, management resistance, poor stakeholder engagement, political and economic instability and data management and reporting challenges. Resource constraints involve limitations in financial, human, and infrastructural resources. Inadequate governance frameworks refer to the absence of well-defined structures and policies to guide governance. Management resistance highlights the reluctance of some leaders to adopt new governance practices. Poor stakeholder engagement points to insufficient involvement of stakeholders in governance processes. Political and economic instability can disrupt operations and affect the implementation of governance practices. Data management and reporting challenges involve difficulties in collecting, analyzing, and reporting accurate data to inform decision-making.

The last IV were the best practices for corporate governance implemented by mission hospitals. They include having a diverse and skilled board, clear roles and responsibilities, regular board meetings, strategic planning, performance monitoring, transparent financial reporting and patient

and community involvement. A diverse and skilled board brings a range of perspectives and expertise. Clear roles and responsibilities ensure that everyone understands their duties and expectations. Regular board meetings facilitate ongoing communication and decision-making. Strategic planning provides a roadmap for the organization's future. Performance monitoring ensures that the organization meets its goals and objectives. Transparent financial reporting builds trust with stakeholders. Patient and community involvement ensures that the needs and preferences of those served by the hospital are considered in governance decisions.

2.9.2 Dependent Variable

According to Mugenda and Mugenda (2019), a dependent variable can be changed or influenced by other factors. The extent to which Mission hospitals followed the KCCB (2019) recommendations determined the level of corporate governance Uptake. The indicator of uptake as per the KCCB Guidelines entailed: Board Structure (Size & Composition), Clear Roles & Responsibilities for the Board, having regular Strategic Meetings, Training & Capacity building for the Board & other key stakeholders and Performance Evaluation.



INDEPENDENT VARIABLES

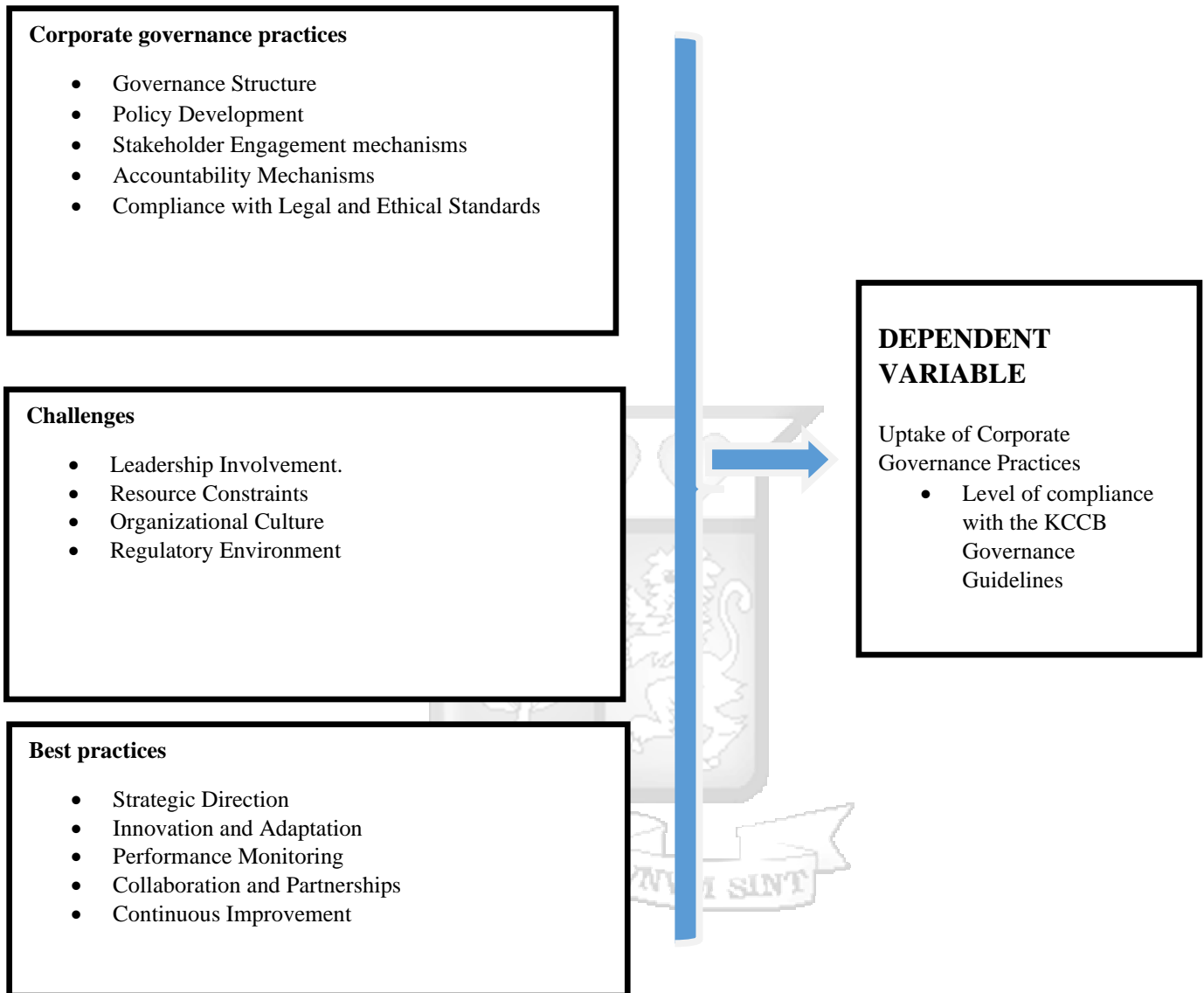
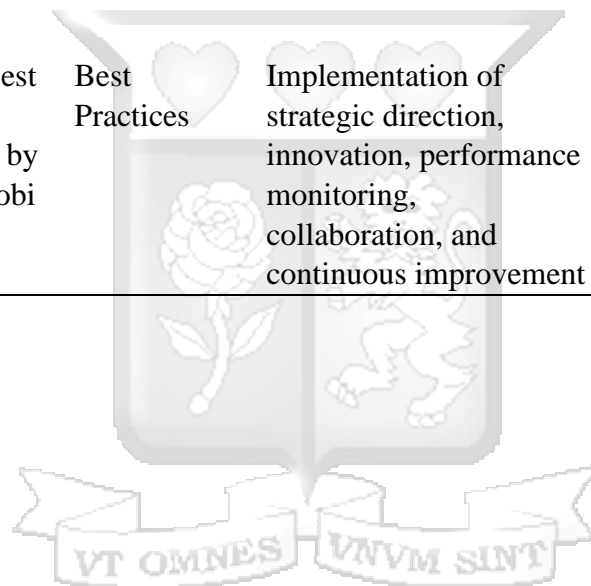


Figure 2.1: Conceptual Framework
Source: Research (2024)

Table 2.2 Operationalization of variables Table

Objective	Variable	Indicator	Scale	Analysis
To examine the corporate governance practices within mission hospitals in Nairobi County.	CGP	Presence of governance structure within mission hospitals	Nominal	Descriptive statistics
To identify the challenges encountered in implementing corporate governance practices within mission hospitals in Nairobi County	Challenges	The existence of policies and procedures for corporate governance	Nominal	Descriptive statistics
To assess the perceived best practices for corporate governance implemented by mission hospitals in Nairobi County.	Best Practices	Implementation of strategic direction, innovation, performance monitoring, collaboration, and continuous improvement	Ordinal	Content Analysis

Source: Research (2024)



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methodological approaches utilized to conduct the study are presented in this chapter, along with the research design, sample population, sample size and sampling procedure. This chapter also emphasizes data collection methods, validity and reliability, analytical techniques, and ethical considerations.

3.2 Research Design

A research design is a strategy to conclusively address the research questions (Ranganathan and Aggarwal 2018). It comprises methodology and instruments to gather and analyze data accurately to test the hypothesis or answer research questions. This study adopted a mixed-method research design combining sequentially analyzed quantitative and qualitative data to fully answer the research questions. The quantitative and qualitative data were collected, analyzed, and converged using the parallel convergence triangulation model during the data interpretation phase (Mugenda & Mugenda, 2019). The mixed method design was preferred as it permits the researcher to utilize concurrent procedures, merging both qualitative and quantitative methods to comprehensively analyse the study phenomenon. Furthermore, the mixed-method design was chosen for its ability to generalize the findings from the targeted population and produce standardized data from a representative sample, thus providing numerical insights into the extent of adoption of corporate governance practices. By integrating both quantitative and qualitative data, this research design facilitates a comprehensive exploration of the research questions, enhancing the validity and reliability of the study findings (Aggarwal, 2018).

3.3 Study Population and Sampling

3.3.1 Population of the Study

The target population for this study consisted of KCCB-sponsored Mission hospitals in Nairobi County with a bed capacity of 100 and above, following the criteria established by Cooper and Schindler (2008). This excludes other KCCB-sponsored mission hospitals in Nairobi County

with lower bed capacity, resulting in the inclusion of only two hospitals meeting the criteria, identified as 002 and 003.

3.3.2 Sampling

The study employed a purposive sampling strategy, a non-probability method wherein participants were selected based on specific traits or characteristics (Mugenda & Mugenda, 2019). According to Rice (2010), this strategy can maximize population representativeness. In this study, top leadership members of the sponsoring body or congregation (GC), board members (Hospital board, board of trustees or Directors where applicable) and Top hospital Managers were purposively sampled due to their expertise and significant contributions to the governance of their respective mission hospitals to constitute the sample frame. This yielded a sample size of 72 respondents. A census sampling technique was then applied. Defined by Mugenda and Mugenda (2019), as a research method where every member of the population under study is included without any exclusion, the census approach ensured that the entire population was represented in the sample, providing a comprehensive overview of the phenomenon being investigated (Cooper & Schindler, 2008). The sample size matrix below reflects the proportional allocation of participants from each category, facilitating a balanced representation of perspectives and insights.

Table 3.1 Sample Size Matrix

Target Population	Total
Hospital Board Members	22
Board of Trustees Members	12
The top leadership of the sponsoring Organization (GC)	10
Top Management	21
Board of Directors	7
Total	72

Source: Research (2024)

3.4 Data Collection Techniques

The study utilized a self-administered structured questionnaire for quantitative data collection and a key informant guide for qualitative insights. The questionnaire gathered standardized data

on various aspects of corporate governance practices, while the key informant interviews provided in-depth qualitative perspectives. This combination allowed a comprehensive examination of the factors that influence the uptake of the CGP in Mission Hospitals

3.4.1 Questionnaires

A structured self-administered questionnaire was developed to assess governance practices within faith-based organizations, particularly mission hospitals in Nairobi County. Part A focused on gathering demographic details from participants, including their role within the organization and years of service, ensuring a diverse perspective from CEOs to board members and owners. Part B addressed the first objective, examining governance practices. It inquired about the presence of governance structures, policies, and stakeholder engagement mechanisms and frequency. Part C delved into the second objective, identifying challenges in governance implementation. Participants were asked about leadership issues, resource constraints and regulatory environments affecting governance. Finally, Part D explored the third objective, evaluating the perceived best practices. Participants were prompted to highlight strategies for strategic direction, innovation, performance monitoring, collaboration, and continuous improvement in governance practices. The questionnaire emphasized detailed and honest responses to ensure accurate data collection, designed for clarity, neutrality, and organization.

3.4.2 Key Informant Interview Guide

Key informant interviews (KIIs) were conducted to gather qualitative insights from knowledgeable individuals regarding corporate governance practices within mission hospitals in Nairobi County. The key informants included purposively selected individuals from the owners, Boards and CEOs or administrators of the Hospitals, who possess valuable insights into governance practices and challenges within their respective organizations. The KII guide was developed by the researcher based on the study objectives and informed by the existing literature on governance practices. Through these interviews, data were collected to explore the challenges encountered in implementing governance practices, as well as to identify strategies for improving governance within faith-based organizations. Key informant interviews were valuable as they provided unique perspectives and insights that complemented quantitative data, offering a comprehensive understanding of the governance landscape in mission hospitals.

3.5 Data Analysis

Data analysis involves a careful examination and organization of collected data to enhance understanding and communicate findings (Arkkelin, 2014). This systematic and rigorous method follows general guidelines, involving categorizing, ordering, manipulating and examining raw data to derive answers to the research questions (Kothari, 2014). In this study, both quantitative and qualitative data analysis techniques were employed. Quantitative methods assisted in interpreting data collected through coded questionnaires entered into SPSS version 23. Descriptive and inferential statistics were employed for summarizing details. The findings were presented through tables, frequencies & percentages for the quantitative data while qualitative analysis was an ongoing process starting from the inception of fieldwork. Views, perceptions and attitudes of respondents were gathered through key informant interviews. Qualitative data from the field underwent evaluation, classification into logical thematic categories and coding using Nvivo version 14. Summaries were generated and field notes were organized into themes and sub-themes (categories). The analysis aimed to identify common themes, patterns and conceptual consistency across the data sets. Results were presented through a narration format, incorporating direct quotes from study participants to draw logical conclusions, add value to the quantitative data and make recommendations related to the research objectives. Through employing both quantitative and qualitative analysis techniques, the study ensured a comprehensive examination of governance practices within mission hospitals enriching the interpretation of findings and providing actionable insights for stakeholders.

3.6 Research Quality

The internal reliability and validity of the study guided the questionnaire's design, development, and pilot testing (Saunders et al., 2019).

3.6.1 Reliability

Reliability in research concerns the consistency of results obtained through research instruments across multiple trials (Saunders et al., 2019). For this study, internal reliability was prioritized, focusing on the consistency of items on a questionnaire measuring the same construct (Padden, 2013). Internal consistency was assessed using Cronbach's alpha coefficient applied to 5-point Likert Scale questions. A pilot study was conducted with six purposively selected respondents from Nazareth Mission Hospital, a KCCB-sponsored mission hospital in Kiambu County, meeting inclusion criteria aside from the location county. The pilot aimed to evaluate the

instruments' data collection capability, identify shortcomings, test question structure for ambiguities, and inform improvements before the main study. The Cronbach's alpha value, exceeding 0.7, affirmed data dependability (Heale & Twycross, 2015; Padden, 2013). Calculated using SPSS version 23, Cronbach's alpha for this study was 0.78, ensuring reliability (Mugenda & Mugenda, 2012). Moreover, expert consultation and questionnaire retesting bolstered the study's reliability, following standard procedures. The study rigorously adhered to reliability measures, ensuring the robustness of the research instruments and the trustworthiness of the gathered data.

3.6.2 Validity

Validity, in the context of data collection techniques, refers to the extent to which the method accurately measures the intended phenomenon, effectively capturing what it seeks to assess (Odhiambo, 2020). Ensuring validity involved a thorough scrutiny of the study tools by academic advisors and supervisors, along with conducting a pilot test to refine the instruments. Feedback obtained from the pilot study and academic advisors played a pivotal role in refining the design of the final questionnaire and interview guide, thereby enhancing their capability to comprehensively address the research questions (Odhiambo, 2020). This rigorous validation process ensured that the research instruments accurately captured the intended aspects of the study, contributing to the overall validity of the research findings.

3.7 Ethical Considerations

Ethical considerations were a top priority in this research, with a focus on following established ethical principles and standards. The researcher obtained a review of the proposal from Strathmore University Institutional Scientific and Ethical Review Committee (SU-SERC) and the National Commission for Science, Technology, and Innovation (NACOSTI) granted authorization, permissions and license to carry out this research. Additionally, clearance was obtained from the CEO or administrators of the mission hospitals to ensure compliance with ethical and legal guidelines. Informed consent was diligently obtained from all participants, ensuring that they understood the confidentiality and voluntary nature of their participation. Participants were assured that their information would only be used for research purposes and that any further data sharing would require their explicit consent. The participants were recruited using designated consent forms to maintain transparency and ethical integrity throughout the research process.

CHAPTER FOUR RESEARCH FINDINGS

4.1 Introduction

The chapter focused on the analysis of the collected data on the factors that influence the uptake of CGP in Mission Hospitals in Nairobi County–Kenya, findings and interpretation referencing the literature captured in the second chapter of the study. The findings were presented in tables and figures. The analyzed information was presented under themes which reflected the study objectives. The chapter was split into two main sections that included demographic data of respondents as well as an in-depth analysis and discussion of data in light of study objectives and research questions.

4.2 Response Rate

The term response rate describes the percentage of survey responses received compared to the total number of respondents (Groves, 2006).

Table 4.1 Response Rate

Total Responses received back	48
Distributed Questions	60
Response Rate	80%

Source: Research (2024)

Out of 60 distributed questionnaires, 48 were fully completed and returned (80% response rate). The response rates align with the recommended threshold of 60% for sufficient analysis and reporting, ensuring high representativeness and generalization of study findings (Mugenda and Mugenda, 2019).

4.2.1 Reliability Test Results

Table 4.2 Cronbach Alpha Results

Variable	No of Items	Cronbach Alpha result
Cultivating Board Accountability	5	0.76
Stakeholder Engagement	8	0.78
Shared Strategic Direction	4	0.78
Stewardship of Resources	5	0.79
Board Empowerment	4	0.79
Reliability status	26	0.78

Source: Research (2024)

The reliability of the survey instrument was evaluated using Cronbach's alpha, a measure of internal consistency (Mugenda & Mugenda, 2012). According to Mugenda and Mugenda (2012), Cronbach's alpha values greater than 0.7 are considered acceptable for reliability. In this study, Cronbach's alpha coefficient was found to be 0.78 reflected in Table 4.2 above, indicating strong internal consistency. Furthermore, the individual variables demonstrated varying degrees of reliability: Cultivating Board Accountability ($\alpha = 0.76$), Stakeholder Engagement ($\alpha = 0.78$), Shared Strategic Direction ($\alpha = 0.78$), Stewardship of Resources ($\alpha = 0.79$), and Board Empowerment ($\alpha = 0.79$). All these alpha coefficients exceeded the acceptable threshold of 0.7, confirming the reliability of the survey instrument. These results affirm the consistent measurement of underlying constructs and underscore the trustworthiness of the study's instruments.

4.3 Quantitative Analysis

4.3.1 Demographic Characteristics

The demographic characteristics of the research participants were of interest to the study. In an attempt, this section presents the respondents' gender, Role and period of work in the Hospital. Additionally, factors such as the hospital code, and the presence and size of the Board are also scrutinized.

4.3.1.1 Respondent's Gender and Hospital Code

The respondents were asked to indicate their gender and Hospital code as demonstrated in Table 4.3 below. This provided insights into the distribution of participants across different hospital codes and the gender composition within the study population.

Table: 4.3: Respondent's Gender and Hospital Code

Category	Frequency	Per cent
Mission Hospital Code		
002	26	54.2%
003	22	45.8%
Gender		
Male	20	41.7%
Female	28	58.3%

Source: Research (2024)

The analyzed data in Table 4.1 above, shows that the majority of respondents (54.2%) were affiliated with Mission Hospital Code 002 (n=26) while Mission Hospital Code 003 had a slightly lower representation, accounting for 45.8% of respondents (n=22). In addition, female respondents constituted the majority, representing 58.3% of the sample (n=28) while male respondents comprised a significant portion, constituting 41.7% of the participants (n=20). According to Chang et al., (2018), there is significant evidence that gender diversity positively influences organization practices. The implication of gender diversity in the organization has a high chance to enhance organization transparency and positive attribution to corporate governance more so in organizations which lack a significant external oversight mechanism (Chang et al., 2018)

4.3.1.2 Years Working in the Hospital

The respondents were asked to show the duration of their service in the mission hospital in years and the results of the variable are shown in Figure 4.1 below.

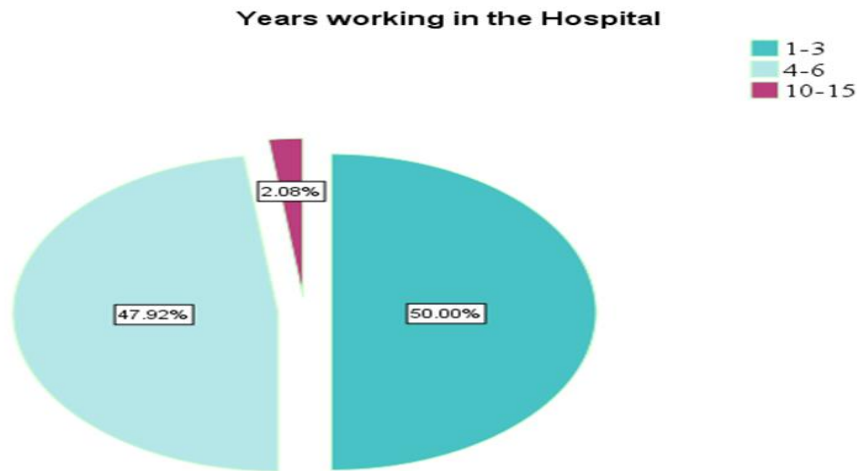


Figure 4.1 Years working in the Hospital

Source: Research (2024).

Upon analysis, the data highlighted that a significant majority of respondents had dedicated their services to mission Hospitals for 1-3 years, constituting 50% of the sample. This duration was deemed adequate for developing familiarity with the institution's governing structure, making the target population well-suited for the study. Following closely, 47.92% of respondents had a tenure spanning 4-6 years cementing the organization's understanding, while those with 10-15 years of experience in the mission hospital were the least represented at 2.08%.

4.3.1.3 Role in the Hospital

The respondents were assessed on their position or role within the hospital. The results of this variable are shown in Figure 4.2 below.

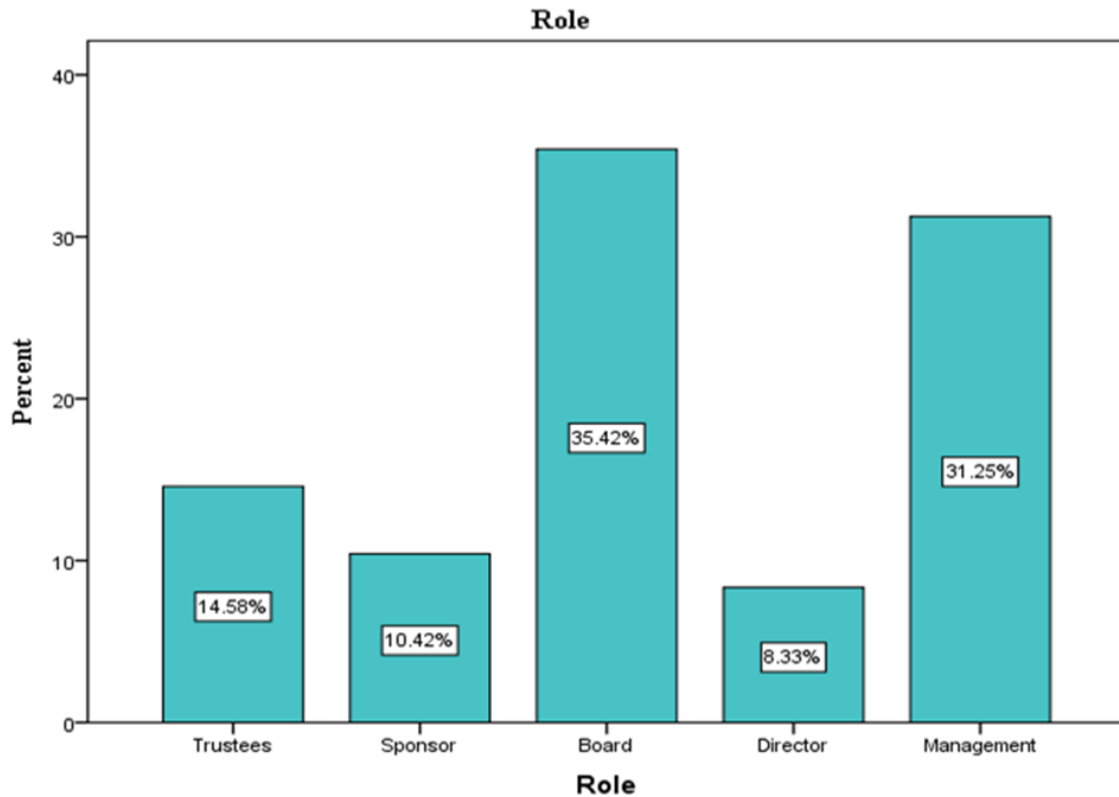


Figure 4.2: Role in the Hospital

Source: Research (2024)

4.3.1.4 Size of the Board

Based on Figure 4.3 below, the majority of respondents (35.42%) were Board members followed closely by senior hospital management representing 31.25% while 14.58% were trustees, 10.42% indicated that they were sponsors with the least being directors represented by 8.33%. These results imply that the majority of the respondents in the study had a role of board membership hence could influence key decisions within the mission Hospitals in Nairobi County like influencing best practices regarding the uptake of CGP.

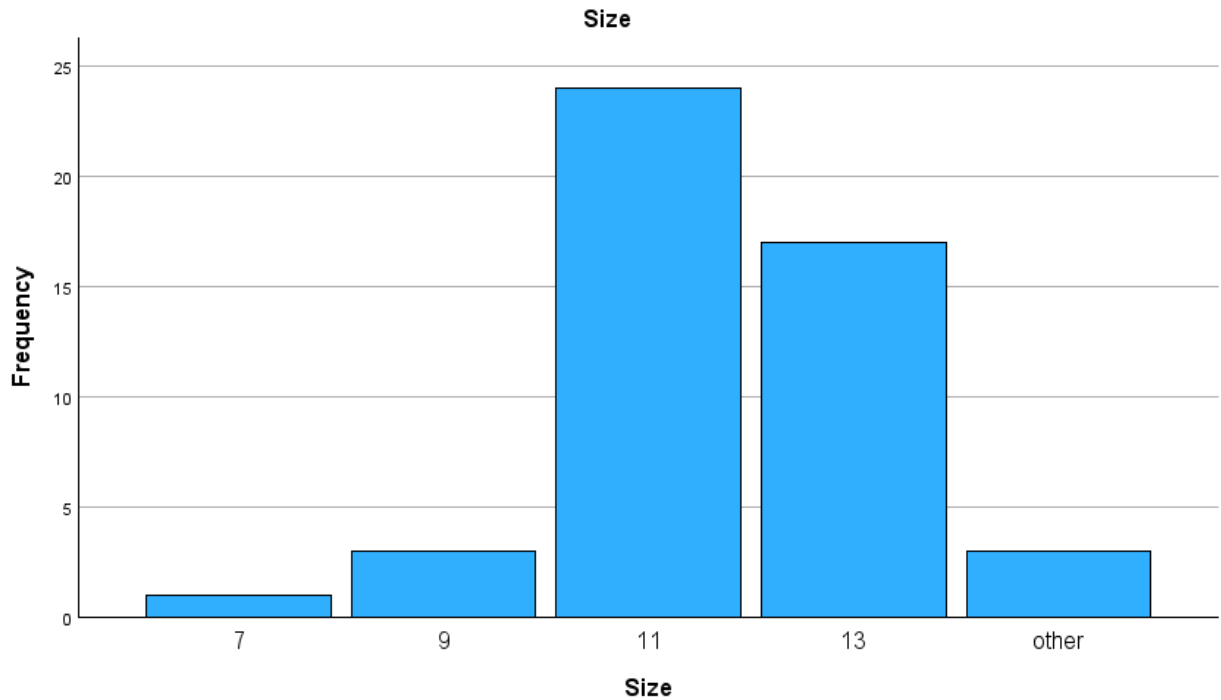


Figure: 4.3: Size of the Board

Source: Research (2024).

4.4 Descriptive Statistics on Independent Variables

4.4.1 Corporate Governance Practices

4.4.1.1 Board Accountability

The descriptive statistics presented in Table 4.4 below provide insights into the level of board accountability within mission hospitals in Nairobi County. Board accountability is a critical aspect of corporate governance, ensuring transparency, integrity, and effective oversight within organizations. By examining various parameters related to board accountability, this analysis scrutinized the current practices in Mission Hospitals and identified areas for potential improvement. Understanding the extent to which mission hospitals prioritize board accountability is essential for enhancing governance frameworks and promoting organizational effectiveness and stakeholder trust.

Table 4.4: Board Accountability

	N	Mean	Std. Deviation
Available Code of Ethics & Moral Conduct	48	3.50	.684
Evidenced Conflict of Interest Code	48	3.35	.838
Policies that promote Transparency, Openness and Disclosure	48	3.35	.668
Enhanced Integrity Culture within the organization	48	3.25	.729
Owners have mechanisms in place to hold the Board accountable	48	2.58	1.088
Cumulative Statistics		3.206	.801

Source: Research (2024).

The findings indicate a moderately high emphasis on board accountability, with various parameters achieving moderately high mean scores ranging from 3.25 to 3.50. This suggests that mission hospitals in Nairobi County prioritize elements such as having a code of ethics, conflict of interest policies, and promoting transparency and integrity culture within the organization. However, the lower mean score of 2.58 for the item related to mechanisms for owners to hold the board accountable highlights a potential area of concern. This suggests that there may be limitations in the mechanisms for owner oversight within these hospitals, indicating a need for further investigation and potential improvements in this aspect of corporate governance. Additionally, these findings reveal both strengths and areas for improvement. Therefore, While the hospitals demonstrate a commendable commitment to certain aspects of board accountability, such as the availability of codes of ethics, conflict of interest policies and transparency-promoting measures, there are notable gaps, particularly in mechanisms for owner oversight.

The implications of these findings suggest the need for targeted interventions to strengthen board accountability practices. Enhancing mechanisms for owners to hold the board accountable can help address these gaps and improve overall corporate governance within Mission Hospitals. By fostering greater transparency, integrity and stakeholder trust, mission hospitals can enhance their organizational effectiveness and ensure alignment with best practices in corporate governance.

Qualitative findings from Key Informant Interviews (KII) further explain the evolution and formalization of corporate governance practices within mission hospitals describing a transition from informal accountability & decision-making processes to structured accountability mechanisms through board meetings and policy frameworks.

“Our governance practices have evolved over the years, adapting to changing circumstances and requirements and we have developed robust mechanisms to ensure we are accountable to our sponsors as a board.” KII

“What started as informal decision-making processes gradually transformed into structured board meetings and policy frameworks and these have been crucial forums for ensuring the transparency and accountability is upheld.” KII VI

In addition, leadership and commitment emerged as a critical factor influencing the implementation of governance practices. Participants emphasized the importance of leadership commitment to driving governance initiatives:

"It all starts with leadership. Without the commitment of our leadership team, we wouldn't have made progress in implementing governance practices." KII VII

"Having leaders who understand the importance of governance and lead by example is paramount. This enabled the Board to execute its mandate but also ensure they remain accountable and transparent in their operations" KII IX

These qualitative insights complement the quantitative findings on board accountability within mission hospitals providing a contextual understanding of the importance of accountability as a CGP, facilitating targeted interventions for improvement.

4.4.1.2 Stakeholder Engagement

The descriptive statistics were computed to assess various dimensions of Stakeholder Engagement within the studied hospitals. Table 4.5 below presents the means and standard deviations for each item.

Table 4.5: Stakeholder Engagement

Variables	N	Mean	Std. Deviation
Board Composition and Structure	48	3.67	1.038
Committees: Quality, Finance, Audit/Compliance, Resource Mobilization	48	3.83	.907
Balanced Skills Mix (Finance, Quality, Legal, HR, Strategy & Others)	48	3.52	.875
Gender Responsiveness	48	3.48	.772
Diversity in Age, Experience & Ethnicity	48	3.21	1.010
Inclusion, Participation and Representation of Stakeholders	48	2.79	.798
Competence-Based Recruitment	48	3.08	.821
Deliberate Agenda on Stakeholder Issues at Board Meetings	48	3.02	.838
Cumulative		3.325	0.088

Source: Research (2024).

The descriptive statistics presented in Table 4.5 outline various dimensions of stakeholder engagement within the context of mission hospitals. These findings provide valuable insights for understanding the current state of stakeholder engagement practices and their implications for governance effectiveness.

A cumulative mean score of 3.325 on the descriptive statistics of stakeholder engagement within mission hospitals demonstrated that while there is a relatively high level of agreement regarding board composition, committee structures and gender responsiveness, areas such as inclusion, participation and representation of stakeholders show potential for improvement. The qualitative data support the importance of stakeholder engagement in governance processes. Participants highlighted the need for enhanced inclusion, participation and representation of stakeholders such as the Diocese, Community, Ministry of Health and training institutions, aligning with the areas identified for improvement in stakeholder engagement practices.

“Mission Hospitals are supported by many stakeholders including the owners, government, the church, the regulatory bodies, financial institutions, the staff, patients and many others. We therefore cannot fail to give key consideration to their issues. We take the stakeholders seriously and ensure their concerns are attended to & they are included in the decision making at different levels” KII II

4.4.1.3 Shared Strategic Direction (Vision)

The descriptive statistics were computed to assess various dimensions of Shared Strategic Direction within the studied hospitals. Table 4.7 below presents the means and standard deviations for each item.

Table 4.6 Shared Strategic Direction (Vision)

	N	Mean	Std. Deviation
Evidence of documented and shared vision, mission, values and strategic objectives	48	3.58	1.108
Documented and shared policies, guidelines, and Standard operating procedures	48	3.54	.944
A strategic plan in place & well understood by the stakeholders	48	2.88	1.265
Annual General Meeting (AGM)with Owners	48	2.75	1.437
Cumulative		3.19	1.189

Source: Research (2024).

The cumulative mean for all items was 3.19 (SD = 1.189), reflecting an overall positive sentiment toward having a shared Strategic Direction within the studied hospitals. Despite variations in specific aspects, the cumulative score suggests a moderately high perception of the hospitals' strategic direction.

This reflects a positive perception of having a shared strategic direction within mission hospitals with high mean scores for documented vision, mission, values and policies. However, the lower mean scores for understanding the strategic plan and conducting Annual General Meetings with owners suggest areas for improvement. The qualitative insights reinforce the quantitative findings, emphasizing the importance of clear communication and stakeholder involvement in understanding the strategic plan and conducting AGM with key stakeholders. Addressing these challenges can lead to enhanced stakeholder engagement and alignment towards organizational goals, as suggested by both qualitative and quantitative findings.

“There have been several attempts to develop a strategic plan but the process most often fails with no clear reasons. Mostly internal organizational Politics amongst owners with a lack of goodwill and ownership” KII I

While a second key informant echoed:

“Yes, there is a draft Strategic plan. However, there is a disconnect between the board and the trustees/owners in its implementation” KII VIII

4.4.1.4 Stewardship of Resources

The descriptive statistics were computed to assess various dimensions of Stewardship of Resources within the studied hospitals. Table 4.7 below presents the means and standard deviations for each item.

Table 4.7: Stewardship of Resources

	N	Mean	Std Deviation
Policy in place to support prudent Financial & Resource Mobilization and allocation	48	3.42	.794
Policies in place to support monitoring through Internal and External audits	48	3.73	.707
The Board champions the acquisition and prudent use of resources (Procurement policy available, well understood & in use)	48	3.10	.881
Observed culture of Integrity in the hospital	48	3.27	.818
Effective Risk Management policies in use	48	2.85	.945
Cumulative		3.27	.829

Source: Research (2024).

The research observed a generally positive perception of stewardship practices within the mission hospitals. This is reflected in the presence of policies supporting financial and resource mobilization, monitoring through internal and external audits and a culture of integrity. These aspects contribute to promoting transparency, accountability and responsible management of resources.

Further, the Study observed that there was moderate engagement in risk management with the mission hospitals. While there was a moderate level of agreement regarding the effectiveness of risk management policies, room for improvement in this area was observed. Strengthening risk management practices can help mitigate potential threats and vulnerabilities within the mission hospitals thereby safeguarding the financial and operational stability of the hospitals.

The descriptive statistics reflect a generally positive perception of stewardship practices within mission hospitals, with policies supporting financial and resource mobilization, monitoring through audits and a culture of integrity. However, there is room for improvement in risk management practices. The qualitative data support the quantitative findings, emphasizing the importance of responsible management of resources and the need for strengthening risk management practices. Participants highlighted the role of effective stewardship in promoting transparency, accountability and organizational sustainability, aligning with the areas identified for improvement in the stewardship of resources.

“Stewardship is ensured primarily through management structures - Internal Audit, Quality Assurance, Legal and Compliance, Finance. Quarterly or whenever board meetings are held, the various committees of the board deliberate on matters of concern and entrust management to implement corrective action where appropriate”

KII XI

In addition,

“Our institution being a hospital continually improves the management of risks to avoid legal suits through the risk register which is often consulted” KII V

However, a key informant revealed existing challenges with risk management posing a need for improvement:

“Risks are well-identified but are not effectively managed. The hospital needs to improve on monitoring and evaluation of the structures in place to ensure better risk management and improve governance practices”

4.4.1.5 Board Empowerment

In exploring the dynamics of Board Empowerment, Table 4.8 below provides descriptive statistics for key variables related to this crucial aspect. The variables include documented and shared Board induction and orientation Programs, Present, well-understood & used Board Performance Evaluation and Strategic and honored Board and board committee meetings.

Table 4.8: Board Empowerment

	N	Mean	Std. Deviation
Documented and shared Board induction & Orientation Programs	48	2.94	1.375
Present, well-understood & in use Board Performance Evaluation	48	2.88	1.248
Strategic & honoured Board and board committee meetings (frequency, quorum defined, notice, preparations in place, documentation are in place)	48	3.81	.762
Cumulative Statistics		3.21	1.128

Source: Research (2024).

The cumulative mean for all variables was 3.21, reflecting a moderately strong agreement amongst the respondents on the status of this variable in the hospitals. These descriptive statistics indicate a moderately strong agreement regarding board empowerment, with higher mean scores for strategic and honored board and committee meetings. However, areas such as documented board induction programs and performance evaluations show potential for improvement. Participants emphasized the importance of strategic and effective board meetings in driving governance effectiveness, aligning with the higher mean scores observed in this aspect. The qualitative insights complement the quantitative findings, highlighting the need for continuous improvement in board empowerment processes, including induction programs and performance evaluations.

“Training is a good idea and best practice but has not been effected in the hospital to a level that gives the stakeholders confidence to support the hospital fully” KII III

“Attempts have been made to task the Board to carry out performance evaluation but not to the expected standards. A clearer, well-planned, budgeted, and defined review process needs to be in place.” KII IX

“The hospital Board measured and reported its performance although this was not effective and, in some cases, no measure existed. Where they existed, they were measured against set Key performance indicators through a well-structured annual performance review. However, there were gaps.” KII IV

4.4.2 Challenges in Implementing Corporate Governance Practices within Mission Hospitals

The second objective was to examine challenges encountered in implementing corporate governance practices within mission hospitals. The implementation of corporate governance practices within mission hospitals presents unique challenges that impact the effectiveness of governance frameworks and the delivery of healthcare services. This study aims to identify and examine the challenges encountered in implementing corporate governance practices within mission hospitals in Nairobi County. Through the common understanding of these challenges, stakeholders can develop strategies to address barriers and enhance governance effectiveness, ultimately improving the quality of healthcare delivery in mission hospitals. Table 4.10 presents the descriptive statistics of various challenges encountered in implementing corporate governance practices within mission hospitals. The mean scores indicate the average level of agreement among respondents regarding the severity of each challenge, while the standard deviation reflects the degree of variability in the responses.

Table:4.9 Challenges in Implementing Corporate Governance

Challenge	N	Mean	Std Deviation
Limited financial resources	48	3.42	.794
Insufficient monitoring mechanisms through audits	48	3.73	.707
Inadequate board involvement in resource decisions	48	3.10	.881
Lack of a culture of integrity	48	3.27	.818
Ineffective risk management policies	48	2.85	.945
Cumulative		3.27	.829

Source: Research (2024)

The findings reveal that the challenges related to insufficient monitoring mechanisms through audits received the highest mean score ($M = 3.73$), indicating a significant concern among stakeholders. This suggests a critical need for mission hospitals to strengthen their auditing

processes to enhance transparency and accountability in financial management. Limited financial resources also emerged as a significant challenge with a mean score of 3.42. This underscores the importance of resource allocation and financial management strategies to address budgetary constraints and ensure sustainable operations within mission hospitals. Inadequate board involvement in resource decisions and the lack of a culture of integrity received mean scores of 3.10 and 3.27, respectively. These findings highlight the importance of enhancing board engagement and fostering ethical behavior among staff and stakeholders to promote effective governance practices. Furthermore, the relatively lower mean score for ineffective risk management policies ($M = 2.85$) suggests a need for mission hospitals to review and strengthen their risk management frameworks to identify and mitigate potential risks effectively.

The researcher observed that the results provide valuable insights into the current state of corporate governance practices within mission hospitals in Nairobi County. General, there is evidence of positive strides in certain areas such as the presence of documented vision, mission, values, and strategic objectives, as well as shared policies and guidelines. However, there are notable areas of concern, including a limited understanding of strategic plans among stakeholders and the need for more effective Annual General Meetings (AGMs) with owners. Furthermore, the analysis highlights challenges faced by mission hospitals in implementing corporate governance practices, including limited financial resources, insufficient monitoring mechanisms through audits and inadequate board involvement in resource decisions. These challenges underscore the importance of addressing structural and procedural gaps to ensure effective governance oversight and promote transparency and accountability in hospital management. Additionally, the findings suggest opportunities for improvement such as enhancing communication strategies to ensure stakeholders comprehend strategic plans increasing the effectiveness of AGMs and strengthening risk management policies. By addressing these challenges and leveraging opportunities for improvement, mission hospitals can enhance their governance frameworks and better fulfil their healthcare mission within the community.

Key informant interviews conducted with stakeholders to explore the various implementation challenges regarding corporate governance practices in mission hospitals in Nairobi County revealed several key themes, highlighting the obstacles encountered in implementing governance practices within these organizations. Resistance to change emerged as a significant barrier to

implementing corporate governance practices. Participants noted the reluctance of some staff members to embrace new governance structures and practices, citing concerns about disruptions to established workflows and a preference for traditional methods.

"Some employees were resistant to the introduction of new governance structures, citing concerns about disruptions to established workflows." - KII V

"There was a reluctance among certain staff members to adopt new governance practices, as they were comfortable with the traditional way of doing things." - KII VIII

Limited resources, including financial constraints, training opportunities and infrastructure deficiencies, posed significant obstacles to effective governance implementation. Participants highlighted challenges in investing in training programs to enhance governance awareness among staff and maintaining adequate infrastructure to support robust governance frameworks.

"Financial constraints hampered our ability to invest in training programs aimed at enhancing governance awareness among staff." - KII II

"We faced challenges in maintaining adequate infrastructure to support the implementation of robust governance frameworks." - KII X

Navigating regulatory complexities while preserving the religious ethos of the organization proved to be a delicate balancing act. Participants expressed challenges in meeting regulatory requirements and interpreting and applying regulations specific to faith-based institutions.

"Meeting regulatory requirements while preserving the religious ethos of our organization proved to be a delicate balancing act." - KII IV

"Navigating the complex legal landscape posed challenges, especially when trying to interpret and apply regulations specific to faith-based institutions." - KII VII

Aligning governance practices with religious and cultural values was essential to ensure buy-in and acceptance from all stakeholders. Participants emphasized the need to carefully consider the cultural sensitivities of the diverse workforce when implementing governance policies and procedures.

"Aligning governance practices with our religious values was essential to ensure buy-in and acceptance from all stakeholders." - KII I

"We had to carefully consider the cultural sensitivities of our diverse workforce when implementing governance policies and procedures." - KII XI

These findings emphasize the common challenges inherent in implementing corporate governance practices within faith-based organizations and highlight the importance of addressing resistance to change, resource limitations, regulatory complexities and cultural considerations to enhance governance effectiveness.

4.4.3 Best practices for corporate governance implemented by mission hospitals

The third objective of this study was to evaluate the best practices for corporate governance implemented by mission hospitals in Nairobi County. Corporate governance plays a critical role in ensuring effective and ethical management, particularly in the healthcare sector where trust, transparency and accountability are paramount. Examining the strategies policies and procedures adopted by these hospitals provides valuable insights into promoting effective leadership, enhancing stakeholder engagement, and optimizing resource management to improve healthcare outcomes and patient satisfaction. The results are presented in Table 4.11 below

Table 4.10 Best Practices for Corporate Governance

Practices	N	Mean	Std Deviation
Policy supporting financial and resource mobilization	48	3.42	0.794
Policies supporting monitoring through internal and external audits	48	3.73	0.707
Board championing acquisition and prudent use of resources	48	3.10	0.881
Observed culture of integrity in the hospital	48	3.27	0.818
Effective risk management policies in use	48	2.85	0.945
Cumulative		3.24	0.829

Source: Research (2024).

The descriptive statistics reveal moderate to strong agreement among respondents regarding the presence of various best practices for corporate governance in mission hospitals. Policies supporting monitoring through internal and external audits received the highest mean score (M =

3.73), indicating strong agreement on the existence of policies facilitating monitoring and accountability. This underscores the hospital's commitment to transparency and compliance with regulatory requirements. Policy supporting financial and resource mobilization also received a moderate mean score (M = 3.42), suggesting a positive inclination towards financial responsibility within the hospitals. However, effective risk management policies received a lower mean score (M = 2.85), indicating potential room for improvement in risk assessment and mitigation strategies.

These findings highlight areas of strength and opportunities for improvement in corporate governance practices within mission hospitals. Strengthening policies supporting financial management, enhancing risk management practices and fostering a culture of integrity are essential for upholding ethical standards and building trust among stakeholders. Additionally, continued emphasis on monitoring through audits and board involvement in resource decisions can further enhance governance effectiveness. Qualitative insights from key informant interviews provide additional context and understanding of the best practices for corporate governance in mission hospitals stressing on Leadership & Oversight strengthening, improving stakeholder engagement mechanisms, improving Risk management practices, ensuring compliance with regulatory bodies and upholding high ethical standards.

"Our board plays a crucial role in providing strategic direction and oversight and strong leadership ensures adherence to ethical standards and accountability." KII I

"Engaging stakeholders, including staff, patients, and the community, are integral to our governance approach and therefore, regular communication and feedback mechanisms must be in place to foster transparency and trust among stakeholders." KII IV

"Identifying and mitigating risks is a priority for effective governance. We have robust processes in place to assess and manage risks associated with our operations." KII VI

"Compliance with regulatory requirements is non-negotiable for our organization. We have dedicated internal and external audit committees who ensure adherence to legal and ethical standards." KII VIII

"Ethical conduct is ingrained in our organizational culture and we prioritize integrity and honesty in all our dealings, both internally and externally." KII X

Contrary, some informants dissented the the voices above and felt that the mission hospitals had to put in more effort to boost the confidence of their boards for productivity:

"The owners need to give management and boards independence to work, trust them and avoid unnecessary interference in management. Also, try to have frequent forums to debrief and consult to ensure that well-defined structures are in place especially have a strategic plan that is shared with all key stakeholders and they should support implementation. Finally, train and capacity build boards and sisters in management on governance skills"

4.5 Descriptive Statistics on the Dependent Variable

Table 4.11: The Uptake of CGP

	N	Mean	Std. Deviation
The board structure is optimal	48	3.67	1.038
Roles and responsibilities are clearly defined and understood	48	3.83	.907
There are scheduled and honored board meeting	48	3.52	.875
The board invest in continuous learning, training and development	48	3.48	.772
The board conducts regular self-assessment and external evaluation	48	3.21	1.010
Cumulative		3.542	.920

Source: Research (2024)

Table 11 presents descriptive statistics on the uptake of Corporate Governance Practices (CGP) within Mission Hospitals in Nairobi County. The mean scores and standard deviations provide insights into the level of adoption and variability among respondents regarding various aspects of CGP implementation. The mean scores for each variable indicate the extent to which respondents perceive the uptake of CGP within their respective hospitals. A mean score above 3 indicates a favorable perception, while a score below 3 suggests areas for improvement. The mean score of

3.67 suggests that respondents generally perceive the board structure within Mission Hospitals to be optimal. However, the relatively high standard deviation of 1.038 indicates some variability in perceptions among respondents, with some hospitals potentially having more room for improvement in optimizing their board structures. With a mean score of 3.83, respondents perceive that roles and responsibilities within the board are clearly defined and understood. The low standard deviation of 0.907 indicates a high level of agreement among respondents on this aspect, suggesting a strong foundation in governance practices regarding role clarity. The mean score of 3.52 indicates a positive perception among respondents regarding the scheduling and honoring of board meetings. However, the standard deviation of 0.875 suggests some variability in this aspect, indicating that while most hospitals may prioritize board meetings, there may be inconsistencies in adherence to schedules across different institutions. With a mean score of 3.48, respondents perceive that boards invest in continuous learning, training, and development initiatives. The relatively low standard deviation of 0.772 suggests a consistent perception among respondents, indicating a widespread commitment to ongoing education and skill development among board members.

The mean score of 3.21 indicates a positive perception among respondents regarding the conduct of regular self-assessment and external evaluation by the board. However, the higher standard deviation of 1.010 suggests greater variability in perceptions, highlighting potential differences in the frequency and rigor of evaluation practices across hospitals.

The findings suggest that Mission Hospitals in Nairobi County generally exhibit a favorable uptake of CGP, as perceived by respondents. However, there are areas for improvement, particularly in optimizing board structures and ensuring consistent adherence to scheduled meetings. The strong perception of clear roles and responsibilities within the board, along with investments in continuous learning and development, underscores the importance of governance education and skill enhancement among board members. To enhance CGP uptake further, hospitals may benefit from implementing standardized practices for self-assessment and external evaluation, ensuring regular and comprehensive assessments of governance performance.

Both primary and secondary data revealed mixed perceptions regarding board empowerment and involvement in resource-related decisions. While there is recognition of the board's role in championing resource acquisition and prudent use, there are opportunities to enhance board induction, orientation programs and performance evaluations to ensure effective governance

oversight. The data has demonstrated the importance of continuous improvement in governance practices to adapt to evolving regulatory requirements, stakeholder expectations, and operational dynamics. Through the identification of areas for enhancement and implementing targeted interventions, mission hospitals can further strengthen their governance frameworks and enhance their ability to deliver quality healthcare services effectively.

4.6 Inferential Statistics on Independent and Dependent Variables

Pearson’s correlation and Linear regression methods of analysis were used to determine whether there was a linear relationship between the independent and dependent variables.

4.6.1: Pearson’s Correlation on Independent and Dependent Variable

Table 4.12: Pearson’s Correlations between independent and dependent variables

		Vision	Empowerment	Engagement	Accountability	Stewardship	Uptake
Vision	Pearson Correlation	1					
	Sig. (2-tailed)						
Empowerment	Pearson Correlation	.701**	1				
	Sig. (2-tailed)	.000					
Engagement	Pearson Correlation	.708**	.577**	1			
	Sig. (2-tailed)	.000	.000				
Accountability	Pearson Correlation	.642**	.712**	.635**	1		
	Sig. (2-tailed)	.000	.000	.000			
Stewardship	Pearson Correlation	.497**	.621**	.721**	.715**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		

	Sig. (2-tailed)	.000	.000	.000	.000		
Uptake	Pearson Correlation	.694**	.524**	.974**	.595**	.670**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	48	48	48	48	48	48

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson's correlation analysis depicts the strength and direction of the linear relationship between the independent variables (vision, empowerment, engagement, accountability and stewardship) and the dependent variable (uptake of corporate governance practices). These vary from very strong, strong, moderate to weak. Soko (2010), posits that the strength of the relationship in correlation analysis ranges from .0 to .2 (very weak or no relationship), .2 to .4 (weak relationship), .4 to .6 (moderate relationship), .6 to .8 (strong relationship), .8 to 1 (very strong relationship). Soko (2010) further argues that statistical significance (r) runs from .00 to .05. The correlation coefficients indicate the strength of the relationship between variables, ranging from -1 to +1. Higher absolute values represent stronger relationships. A p-value less than 0.05 indicates statistical significance, suggesting that the observed correlations are unlikely to have occurred by chance. Stakeholder engagement shows a very strong positive relationship (Pearson correlation coefficient of 0.974) with the uptake of corporate governance practices, followed by a strong positive relationship for shared strategic direction (vision) with a coefficient of 0.708. Stewardship exhibits a moderate positive relationship with the uptake of corporate governance practices (correlation coefficient of 0.670). Accountability and empowerment demonstrate a weaker positive relationship with the uptake of corporate governance practices (correlation coefficients of 0.595 and 0.524, respectively).

These results suggest that there was a positive linear relationship between the independent and dependent variables in the study. Thus, an increase in any one of the independent variables would increase the uptake of corporate governance practices in Mission hospitals within Nairobi County.

4.6.2: Linear Regression Results of Independent and Dependent Variables

Table 4.13: Model Summary

Model	R	R Square	Adjusted R	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.694	.481	.470	.57867	.481	42.623	1	4	.000
2	.694	.484	.461	.58345	.484	21.088	2	4	.000
3	.975	.952	.948	.18080	.952	287.946	3	4	.000
4	.976	.952	.947	.18272	.952	211.458	4	4	.000
5	.976	.952	.946	.18399	.952	166.921	5	4	.000

1. predictors: (Constant), Vision
2. Predictors: (Constant), Vision, Empowerment
3. Predictors: (Constant), Vision, Empowerment, Engagement
4. Predictors: (Constant), Vision, Empowerment, Engagement, Accountability
5. Predictors: (Constant), Stewardship, Vision, Empowerment, Accountability, Engagement

In carrying out regression analysis, the model summary, Analysis of Variance (ANOVA) and coefficients tables were generated. In the model summary reflected in Table 4.13 above, R is the correlation coefficient, defined by Soko (2010) as the correlation or relationship between the independent (Predictors) and dependent variable, and ranges from -1 to +1, whereas R Square is the coefficient of determination which is the extent with which the independent variables explain the dependent variable and is well presented in percentages. The results as per Table 4.13 above, indicate that all the independent variables had a strong relationship with the dependent variable with their R values being .694 (Vision), .696 (Empowerment) .975 (Engagement), .976 (Accountability) and .976 (Stewardship). An R Square of .481 in model 1 indicates that having a common strategic direction (Vision) account for 48.1% of the change in the adoption of

corporate governance practices in mission hospitals. Having a shared Strategic vision and empowering the Board account for 48.4% of the changes in the uptake of CGP in model 2. Consequently, having a shared vision, empowering the Board and engaging stakeholders account for 95.2% of the changes in the uptake of CGP in model 3. In model 4, a shared vision, empowerment, engagement and accountability account for 95.2% of changes in the uptake of CGP in mission hospitals. Notably, the R Square of models 4 and 5 was identical to that of model 3, indicating that the study model did not change as a result of Accountability and Stewardship of resources.

Therefore, this model is a strong one that can be used in other studies in a different location because the independent variable explains the dependent by 95.2%. In order to increase the value of R Square, the number of independent variables can be increased in this model, as supported by Soko (2020) that R Square increases with an increase in the number of independent variables. Adjusted R Square modifies the number of independent variables, improves only when a new variable is added that enhances the model and declines when a new variable is added that has no impact on the model. As a result, as shown in Table 4.12 above, the adjusted R Square increased as the first three variables were gradually added to the model and began to decline when the last two variables were added. This suggests that the model was unaffected by the CGP of Stewardship of resources and Board Accountability. However, all five CGP in healthcare were statistically significant since their Sig F values were at .000.

Table 4.14: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	28.255	5	5.651	166.921	.000 ^b
Residual	1.422	42	.034		
Total	29.677	47			

a. Dependent Variable: Uptake

b. Predictors: (Constant), Stewardship, Vision, Empowerment, Accountability and Engagement

The analysis of variance (ANOVA) tests the overall significance of the linear regression model in predicting the uptake of corporate governance practices (dependent variable) based on the predictors included in the model (Stewardship, Vision, Empowerment, Accountability, and

Engagement). The ANOVA results indicate that the regression model as a whole is statistically significant ($F = 166.921$, $p < 0.05$). This suggests that the combined effect of the predictors significantly explains the variation in the uptake of corporate governance practices within Mission hospitals in Nairobi County. The sum of squares for the regression model is 28.255, indicating the total variation in the dependent variable explained by the predictors. The mean square (5.651) represents the average variation explained by each predictor in the model. The regression model has 5 degrees of freedom (df) for the predictors (number of predictors - 1) and 42 df for the residual (total number of observations - number of predictors). The F-statistic (166.921) is a ratio of the mean square of the regression model to the mean square of the residuals. It indicates the overall significance of the regression model. A higher F-value suggests a stronger relationship between the predictors and the dependent variable. The p-value associated with the F-statistic (0.000) is less than the conventional significance level of 0.05, indicating that the regression model's results are statistically significant. This implies that the predictors (Stewardship, Vision, Empowerment, Accountability and Engagement) collectively have a significant impact on the uptake of corporate governance practices.

The ANOVA results provide strong evidence that the combination of predictors (Stewardship, Vision, Empowerment, Accountability, and Engagement) significantly influences the uptake of corporate governance practices in Mission hospitals within Nairobi County. This underscores the importance of these factors in shaping governance outcomes and suggests the need for targeted interventions to enhance these aspects within hospital governance frameworks.

Table 4.15: Coefficients of the Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error	Beta		
1 (Constant)	.034	.165		.205	.839
Vision	.033	.044	.044	.749	.458
Empowerment	-.049	.043	-.065	-1.155	.255
Engagement	1.111	.067	1.007	16.616	.000
Accountability	.000	.078	.000	.005	.996
Stewardship	-.045	.070	-.038	-.639	.526

a. Dependent Variable: Uptake

Table 4.15 shows the regression coefficients of the independent variables. The unstandardized beta represents the slope of the line between the predictor variable (independent) and the predicted (dependent) variable (Hair et al., 2010). Subsequently, one unit increase in the independent variable leads to an increase or decrease in the dependent variable. As seen in Table 4.15 above, for every one-unit increase in Shared Strategic Direction, the uptake level of CGP increased by 0.033 units; for every one-unit increase in empowerment, the uptake level of CGP in mission hospitals decreased by 0.049 units; for every one unit increase in engagement, the uptake level increase by 1.111 units; for every one unit increase in stewardship, the uptake level decreases by 0.045 units; while Accountability did not have any effect on the uptake level.

The standardized beta, which is similar to correlation coefficients or the relationship of the independent variables with the dependent variable in correlation analysis ranges from no relationship to a very strong relationship as supported by Soko (2010) who argues that .0 to .2 is

very weak or no relationship, .2 to .4 is weak relationship, .4 to .6 is moderate relationship, .6 to .8 is strong relationship and 8 to 1 reflects a very strong relationship. Therefore, there was a weak relationship between having a Shared strategic direction (vision), and uptake level (.044), inversely weak or no relationship between empowerment and uptake (-.065), a very strong relationship between Stakeholder engagement and uptake (1.007), no relationship between Accountability and uptake (.000) and inversely weak or no relationship between stewardship and uptake level (-.038).

Therefore, the only significant variable as per the above analysis was Stakeholder engagement with a p-value of .000. The other four independent variables (vision, empowerment, accountability and stewardship) were not statistically significant because their P-values were greater than the conventional value of 0.05 and documented as .458,255, .996 and .526 respectively.

4.7 Hypothesis testing

4.7.1 Research Hypothesis

The study sought to investigate the influence of stakeholder engagement on the uptake of Corporate Governance Practices (CGP) in Mission Hospitals in Nairobi County.

4.7.1.1 Null Hypothesis (H0)

Stakeholder engagement does not have a significant influence on the uptake of Corporate Governance Practices in Mission Hospitals in Nairobi County.

4.7.1.2 Alternative Hypothesis (H1)

Stakeholder engagement has a significant influence on the uptake of Corporate Governance Practices in Mission Hospitals in Nairobi County

4.7.2 Statistical Test

Multiple regression analysis was conducted to examine the relationship between stakeholder engagement (independent variable) and the uptake of CGP (dependent variable).

4.7.3 Results of the Hypothesis

The regression analysis yielded a p-value of 0.032, which is less than the predetermined significance level of 0.05. Therefore, we reject the null hypothesis. There is sufficient evidence to conclude that stakeholder engagement has a statistically significant influence on the uptake of Corporate Governance Practices in Mission Hospitals in Nairobi County



CHAPTER FIVE:

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides discussion, conclusion, and recommendations based on the findings of the study. It also outlines the limitations encountered during the research process and suggests potential areas for future research.

5.2 Discussion

Freeman et al. (2016) and Nasr (2017) highlight the relevance of leadership commitment and stakeholder involvement in healthcare governance. They emphasize the necessity for established frameworks and performance measuring tools that are consistent with the qualitative results of changing governance practices, as well as the need of leadership commitment. The studies cited above underline the need of leadership commitment and stakeholder participation in healthcare governance, whereas the MSH Annual Report (2015) identifies essential governance practices required for effective health sector governance. However, Ndege et al. (2022) express concerns about accountability procedures in mission hospitals, citing the restricted possibilities for public accountability due to the non-elected character of mission hospital boards and management.

The qualitative findings are consistent with the research on leadership commitment and stakeholder participation, but they differ on accountability mechanisms and imply issues in this area due to the non-elected character of mission hospital boards and management. The findings also show that mission hospitals have made laudable attempts to incorporate corporate governance principles, which aligns with the global trend emphasizing the necessity of good governance for sustainable and competitive enterprises (Gatamah, 2004). Furthermore, research emphasizes the importance of corporate governance in the healthcare sector, notably in guaranteeing accountability, transparency, and ethical behavior (Hutchinson & Gul, 2004; MSH, 2015). The findings indicate that mission hospitals in Nairobi County recognize the importance of ongoing examination and improvement of governance processes (MSH, 2015).

Moreover, stakeholder participation was recognized as a crucial component of governance, which is consistent with earlier studies that emphasized the significance of including

stakeholders in the decision-making process (Aaronson & Evashwick, 2019). In line with the notion that leadership plays a crucial role in setting organizational goals and priorities, the study also emphasized the creation of a shared strategic direction as essential to successful governance (LeMay & Ellis, 2008). Kinyua & Ngari (2021) and Abor (2015) examine the challenges of implementing governance practices, including resource scarcity and resistance to change. These results are in line with the qualitative observations about financial limitations and personnel resistance in mission hospitals. Gaiku et al. (2016) examined the connection between corporate governance and the efficacy of non-governmental organizations in the health sector, highlighting the significance of board size, CEO duality, and accountability structures.

The study's findings are in line with previous investigations into problems including resource shortage and change resistance. The impact of board features on hospital performance has been the subject of disagreement, as highlighted by Gaiku et al. (2016). The qualitative findings did not specifically address this issue. Lack of knowledge, financial constraints, and outside influence are further reasons why organizations struggle to put governance concepts into practice (Mulili & Wong, 2011; Grace et al., 2018). It was discovered that the study's findings aligned with these difficulties. The report claims that mission hospitals in Nairobi County in particular face difficulties such as inadequate finance, ignorance of governance protocols, and political or owner intervention (Ndege et al., 2022). It is more challenging to carry out governance in an efficient manner because of these issues.

The study also found that governance methods are influenced by cultural and religious variables, which highlights the significance of customizing strategies to the particular environment of faith-based organizations (Nondo, 2018). Gaiku et al. (2016) conducted research that highlights the significance of efficient governance systems in enhancing the delivery of healthcare services. This aligns with the qualitative findings regarding stakeholder engagement and board oversight in mission hospitals. Etale and Tueridei (2020), on the other hand, investigate how corporate governance affects the financial performance of listed healthcare sector companies in Nigeria. They find that there are notable correlations between financial performance and some corporate governance variables, like managerial ownership and board independence. Although the qualitative results are consistent with the research on board supervision and stakeholder

involvement, there is disagreement over the relationship between corporate governance factors and financial performance.

The study also identified critical behaviors that are necessary for good governance, such as establishing a common strategic direction, engaging stakeholders, and providing ongoing training and capacity building (Nginyo, 2018; Musyula, 2014). The results emphasized how crucial it is to have ongoing training programs to improve staff comprehension and application of governance procedures (Ndege et al., 2022). Furthermore, it was noted that cultivating openness, trust, and cooperation requires effective stakeholder involvement (Aaronson & Evashwick, 2019). Furthermore, LeMay and Ellis (2008) found that establishing a common strategic vision was crucial to coordinating organizational priorities and goals.

5.3 Conclusion

To sum up, this research has offered a thorough analysis of the adoption of Corporate Governance Practices (CGP) in Nairobi County's Mission Hospitals. Important conclusions about the current state, facilitators, and obstacles, as well as best practices for CGP implementation, have been drawn from a combination of quantitative analysis and qualitative observations from key informant interviews. The study determined that, in addition to ongoing training and a common strategic objective, stakeholder engagement was a critical element favorably impacting CGP uptake.

Although the results point to Mission Hospitals' outstanding efforts in adopting CGP, there is still room for improvement, including in strengthening board engagement in resource decisions and improving risk management policies. The study also emphasizes the necessity of additional research to thoroughly examine topics like corporate culture and outside regulatory issues. All things considered, this research adds to the body of knowledge already available on corporate governance in healthcare environments and offers perspectives that can guide practice and policy to improve governance efficacy in Nairobi County's Mission Hospitals.

5.4 Recommendations

Based on the major findings of this study, the following recommendations are proposed to enhance the uptake and effectiveness of Corporate Governance Practices (CGP) in Mission Hospitals within Nairobi County:

5.4.1 Continuous Training and Capacity Building

Mission Hospitals should invest in ongoing training programs to enhance the understanding and implementation of CGP among staff members. These programs should cover various aspects of corporate governance including ethical practices, accountability, and stakeholder engagement. By continuously improving staff knowledge and skills, hospitals can ensure that CGP are effectively integrated into daily operations.

5.4.2 Stakeholder Engagement

Hospital management should prioritize stakeholder engagement strategies to ensure active participation and buy-in from all relevant parties, including staff, patients, religious leaders, and community members. This can foster a culture of transparency, trust and collaboration, which are essential for effective CGP implementation. By involving stakeholders in decision-making processes, hospitals can better address their needs and concerns, leading to improved governance outcomes.

5.4.3 Shared Strategic Vision

Mission Hospitals and key stakeholders should develop a clear and shared strategic vision for CGP implementation. Hospital leadership should articulate the organization's goals, values, and priorities related to corporate governance, ensuring alignment with the hospital's mission and values. By establishing a common vision, hospitals can create a unified approach to governance that guides decision-making and fosters accountability.

5.4.4 Enhanced Accountability Mechanisms

Mission leaders should implement robust accountability mechanisms to monitor and evaluate CGP implementation effectively. This could include establishing oversight committees, conducting regular audits and implementing performance evaluation systems to track progress and identify areas for improvement. By holding individuals and departments accountable for their actions, hospitals can ensure adherence to governance standards and drive continuous improvement.

5.4.5 Adherence to Regulatory Requirements

Mission Hospitals should ensure compliance with relevant regulatory requirements and standards governing corporate governance practices. This may involve staying updated on legal and

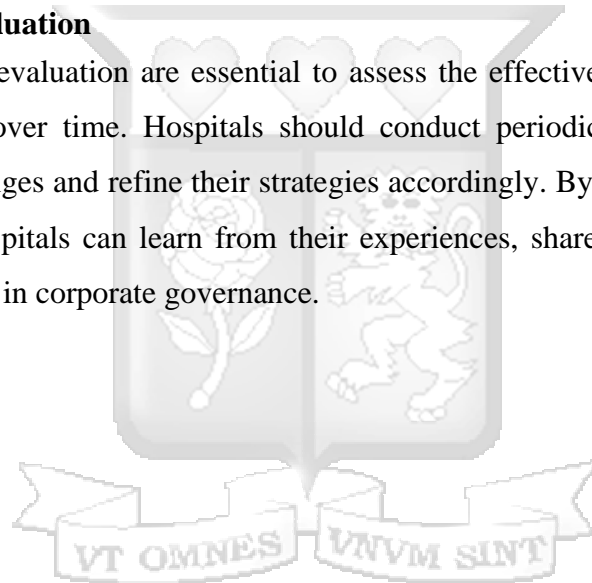
regulatory changes, conducting regular assessments to identify gaps and implementing corrective measures as needed. By adhering to regulatory requirements, hospitals can mitigate risks and maintain public trust in their operations.

5.4.6 Cultural Sensitivity in the Mission

Recognizing the unique cultural and religious context of faith-based organizations, hospitals should tailor their CGP implementation strategies to align with the values and beliefs of their stakeholders. This could involve integrating traditional practices with modern governance principles and fostering a culture of inclusivity and respect. By respecting cultural diversity, hospitals can strengthen stakeholder relationships and promote sustainable governance practices.

5.4.7 Research and Evaluation

Continued research and evaluation are essential to assess the effectiveness and impact of CGP implementation efforts over time. Hospitals should conduct periodic evaluations to measure progress, identify challenges and refine their strategies accordingly. By engaging in research and evaluation activities, hospitals can learn from their experiences, share best practices and drive continuous improvement in corporate governance.



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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Strathmore University – Business School

Ole Sangale Road

Madaraka Estate

Nairobi

Dear Participant,

RE: INTRODUCTION LETTER FOR SR DR CARREN A. OWUOR

At the Strathmore University Business School, I am a postgraduate student. I am working on a research project for my master's degree in business administration called "Factors that Influence the Uptake of Corporate Governance Practices in Mission Hospitals in Nairobi County, Kenya," Your sincere involvement in this activity will be crucial to the findings of this research. The results of this study will only be applied in academic settings, to raise corporate governance standards and healthcare quality in Kenyan mission hospitals.

As a result, I need your help to complete this questionnaire. The data gathered for this study will be handled in the strictest confidence; neither you nor the organization's name should ever appear.

I appreciate your cooperation in advance.

Yours faithfully,

Sr Dr Carren A. Owuor, Asn.

APPENDIX II: INFORMED CONSENT FORM

Strathmore University – Business School
Ole Sangale Road
Madaraka Estate
Nairobi.

I am an MBA candidate in Health Care Management at Strathmore University Business School, where I am a postgraduate student. As a part of my studies for a master's degree, I'm looking at the "Factors that Influence the Uptake of Corporate Governance Practices in Mission Hospitals in Nairobi County, Kenya." I plan to interview willing individuals in-depth and use a questionnaire to gather primary data. I might therefore ask to record and take notes while we are speaking. When the research is finished, these will be destroyed. It's crucial to understand that you won't suffer any harm while conducting this research. You won't be obliged to provide your identity or the name of your company in the survey in the questionnaire and during the interviews. This is to protect and strengthen the confidentiality upheld during our collaboration. Your voluntary participation in this study will help to improve the management of healthcare and the provision of services in Kenyan mission hospitals, thereby guaranteeing patient satisfaction and safety.

Please, tick (✓) where applicable:

I Accept to participate I do not accept to participate

Thanking you in anticipation.

Yours sincerely,

Sr Dr Carren A. Owuor, Asn.

APPENDIX III: QUESTIONNAIRE

A: Demographic Characteristics:

1. Gender: Indicate your Gender below

Male Female

2. Hospital Code

002003

3. Years Working in the Hospital

Years working

- 1-3 Years
- 4-6 years
- 7-9 years
- 10-15 Years
- More than 15 years



4. Role in the Hospital

What is your role within the hospital?

- Board Member
- Senior Management
- Trustee
- Sponsor
- Director

5. Existence the Board

Does your hospital have a board? Yes, NO

6. If yes, what is the size of the board?

Board size

- 7
- 11
- 13
- Other

B: To examine the corporate governance practices within mission hospitals in Nairobi County

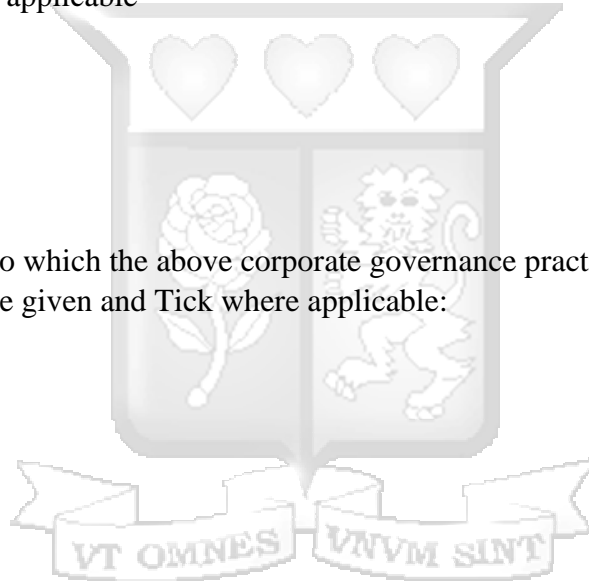
These are five key corporate governance practices in Healthcare: Shared Strategic Direction, Board Accountability, stakeholder engagement, stewardship of Resources and Board empowerment. Answer the questions below to the best of your understanding

7. How would you rate the **status** of the above corporate governance practices within your mission hospital? Tick as applicable

- Poor
- Fair
- Good
- Very good
- Excellent

8. Please rate the **extent** to which the above corporate governance practices are implemented in your hospital using a scale given and Tick where applicable:

- Poor = 1
- Fair = 2
- Good = 3
- Very good =4
- Excellent = 5



Corporate Governance Practices	Rating with 1 to 5 as above
Shared Strategic Direction	
Board Accountability	
Stakeholder Engagement	
Stewardship of Resources	
Board Empowerment	

C: To identify the challenges encountered in implementing corporate governance practices within mission hospitals in Nairobi County.

9. Please rate the extent to which you **perceive the following challenges** in implementing corporate governance practices within your mission hospital

Rating Scale:

- Not a Challenge (1)
- Minor Challenge (2)
- Moderate Challenge (3)
- Major Challenge (4)
- Very Major Challenge (5)

Challenges	Rating (1 to 5 as above)
Lack of financial resources	
Insufficient support from the board	
Resistance to change from stakeholders	
Inadequate awareness and understanding	
Limited capacity for monitoring	

D: To assess the perceived best practices for corporate governance implemented by mission hospitals in Nairobi County.

10. Please rate the extent to which you believe the following **best practices** for corporate governance are successfully implemented in your hospital

- Not implemented (1)
- Partially implemented (2)
- Moderately implemented (3)
- Mostly implemented (4)
- Fully implemented (5)

Best Practices	Rating 1 to 5
Strong policy supporting financial and resource mobilization	
Robust policies supporting monitoring through internal and external audits.	
Active involvement and support from the board	
Evident culture of integrity within the hospital	
Effective risk management policies and procedures	
Robust Stakeholder Management Mechanisms	

APPENDIX IV: KEY INFORMANT INTERVIEW GUIDE

Introduction

Thank you for willing to participate in this interview. Your insights are valuable for our research on corporate governance practices in mission hospitals in Nairobi County. The interview intends to gather information about your experiences and perspectives regarding corporate governance practices.

1. Background Information

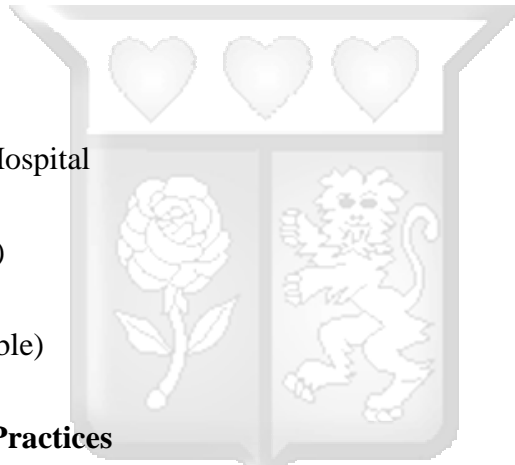
Gender () Age()

Position/Role

Years of Experience in the Hospital

Hospital Code (if applicable)

Size of the Board (if applicable)



2. Corporate Governance Practices

How would you describe the current corporate governance practices within your mission hospital?.....

Can you identify any specific corporate governance policies or procedures that are in place in your hospital?.....

How effective do you believe these corporate governance practices are in ensuring transparency, accountability, and ethical conduct?.....

3. Challenges in Implementing Corporate Governance

What are the main challenges you encounter in implementing corporate governance practices within your mission hospital?.....

Can you elaborate on any specific difficulties or obstacles faced in ensuring compliance with corporate governance standards?.....

How do you address these challenges in your role within the hospital?.....

4. Best Practices

In your opinion, what are the key best practices for corporate governance that have been successfully implemented in your hospital?.....

Can you provide examples of initiatives or strategies that have been particularly effective in promoting good corporate governance?.....

.....

How do these best practices contribute to the overall performance and growth of the hospital?

.....

5. Future Improvements

What areas do you think require improvement or further development in terms of corporate governance within your hospital?.....

Are there any specific recommendations or suggestions you would make to enhance corporate governance practices?.....

Please note that all information provided during this interview will be kept confidential and used solely for research purposes. Your anonymity will be maintained in any reporting or publication of findings.

APPENDIX V: WORK PLAN

Activity / Timelines	Jan 2023	Feb 2023	Mar 2023	April 2023	May 2023	June 2023
Collection of Data						
Data analysis						
Thesis draft approval by the supervisor for defense						
Thesis submission for defense						
Thesis defense						
Thesis amendments post defense						
Submission of a soft copy of the final corrected thesis with the supervisor's approval						
Submission of a final corrected and approved hard-bound copy of the thesis						
Graduation						

APPENDIX VI: BUDGET

Budget item	Description	Cost	Total
Transport to University	To and from school at 1000 per week	4000 x 3	12000
Internet data	For 3 months at 3000	3000x 3	9000
Proposal spiral bindings	Simple binding for correction	500x3	1500
Data collection	5 days 5 assistant	2000x5x3	30,000
Printing	Each 20 per page	1200x3	3600
Data entry	2000x5	2000x5	10,000
Data analysis	2000per day 5	2000x5	10,000
Generating Report		6000	6000
Final findings	4 @1200	4 x1200	4800
Miscellaneous	10,000		10,000
Total			96,900

