CORPORATE GOVERNANCE PRACTICES AND PERFORMANCE OF MISSION HOSPITALS IN NAIROBI CITY COUNTY, KENYA

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMICS AND TOURISM IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT)

KENYATTA UNIVERSITY

JUNE, 2023

DECLARATION

I declare that this project is my original work and has not been presented for examination in any university or an institution of higher learning.

Signature: ………………….………………….. Date: ……………..….

Kariuki Berinda C. Mwende

D53/ PT/ 28272/ 2018

This project has been submitted for examination with my approval as the appointed University Supervisor:

Signature: ……………………..……….. Date: ………..………

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DEDICATION

To the Amazing Woman I know, My Mother,

Dr. Mercy N. Kariuki,

With Admiration, Respect and Love,

May I raise one like you.

ACKNOWLEDGEMENT

I want to thank my supervisor first and foremost, Dr. James Kilika, for all of his leadership, wise counsel, and encouraging criticism throughout this time.

I am appreciative of Kenyatta University's Department of Business Administration, Mission Hospitals in Nairobi City County, and Kenyatta University in general for their crucial help during this research.

Last but not least, I want to thank my parents for their unending support and unwavering love during this journey.

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ABBREVIATIONS AND ACRONYMS

AIC	African Inland Church
C.D.H	County Director of Health
CEO	Chief Executive Officer
CMA	Crescent Medical Aid
CMA	Crescent Medical Aid
CPK	Church of the Province of Kenya
EFCC	Economic and Financial Crime Commission
GOK	Government of Kenya
HAT	Hospital Administrative Team
KACC	Kenya Anti-Corruption Commission
KPI	Key Performance Indicator
LPOs	Local Product Order
LSOs	Local Service Order
MHHB	Mission Hospital Health Board
MOH	Ministry of Health
NACOSTI	National Council for Science, Technology and Innovation.
NCCK	National Council for Churches in Kenya
PCEA	Presbyterian Church of East Africa
UK	United Kingdom
USA	United States of America
WHO	World Health Organization

OPERATIONAL DEFINITION OF TERMS

Accountability Systems:	A set of practices or policies that Mission Hospitals are using to make sure that every employee is responsible for each of their decisions. Examples of these finance and contract oversight in the tendering process.
Corporate Governance	Rules and practices that are put in place by Mission Hospitals to make sure that interest of all stakeholders is adhered to.
Corporate Governance Practices	Principles, procedures, and practices that requires continuous improvement, strong commitment to ethical conduct and norms that ultimately contribute to the smooth running of Mission Hospitals. The practices this study sought to employ throughout this research are; board size, board independence, accountability systems and board responsiveness.
Independence	Freedom from control or influence of another person(s) or institution(s) of mission hospitals in Nairobi City County, Kenya.
Resource	Anything that a manager utilizes to achieve their set goals. That is, people, time, hospital funds,

	land physical facilities in Mission Hospitals in Nairobi City County, Kenya.
Responsiveness	Manner in which the board endeavors to make decisions that address the real issues affecting a hospital. This means decisions do not take too long to be made and issues are addressed as soon as possible by the hospital board members in Nairobi City County, Kenya.
Mission Hospital	Religious based church managed hospitals mostly started during the colonial period.
Performance	Assessing the effectiveness,efficiency,quality or outcomes of actions and determining how well they align with the desired outcomes.

ABSTRACT

Corporate governance is a system that affects both the organizational structure and day-to-day activities, and it is crucial to the entity's efficient and effective functioning. Mission Hospitals have been seen to experience challenges such as employee turnover, frequent change in management, lack of employee autonomy, boycotts, increased lead time in procurement and tendering, low number of employee innovations, increased resistance to change and go slows. This study therefore sought to examine the effect of Corporate Governance Practices on Performance of Mission Hospitals in Nairobi City County. To achieve that, the objectives employed were: to establish the effect of board size, board independence, accountability system enforced and board responsiveness on the performance of Mission Hospitals in Nairobi City County. The study was anchored on Agency Theory and Balance Score Card Model. Questionnaires were used with an aim to obtain data from the Top-Level Management and the Middle Level employees. This research used descriptive survey design and there were 240 respondents drawn from 15 Mission hospitals in Nairobi City County. In this research, stratified random sampling was adopted so as to break down the population into smaller groups that are representative of the larger population. Cronbach's coefficient Alpha score was computed to make sure that the instrument is reliable. Descriptive statistics, such as frequency distributions, percentages, means, and standard deviations, were utilized to describe the data obtained during data analysis and presentation, and the findings were presented using tables and figures. For inferential statistics, the study utilized regression analysis for the research questions derived from objective one to four. Regression analysis was also used to ascertain the degree of significance in relation to corporate governance practices and performance of mission hospital in Nairobi City County. The outcome of the study showed that board size had positive and significant effect; board independence had significant positive effect; accountability system had a significant and direct positive effect while board responsiveness had a positive and significant effect on the performance of Mission Hospitals in Nairobi City County. To this end, the study suggests that in order to increase the board size's efficacy and efficiency, a comprehensive screening procedure should be implemented to ensure that a high degree of expertise is considered when the mission hospital's board is selected. This ensures that the hospital's decision-making process is quick and that the hospital's performance is improved. Through this study, the Mission Hospitals' Performance will be enhanced by the decisions made by policymakers, who will ensure better and more effective use of the limited resources at their disposal. The findings provide an explanation of the performance of Mission Hospitals in Kenya, adding to the arsenal of policy tools already available.

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Corporate governance's primary goal is to strike a balance between the interests of all stakeholders in a business. An institution must be accountable, transparent in its operations, fair, and responsible in the administration of its resources if it is to attain this balance. The aspect of corporate governance in a firm is mainly geared towards ensuring that the ownership and control of an organization are separated and this in some situations has led to the rise of agency problems (Omily, 2010).

As a result of poor governance, organizations are experiencing managerial scandals and mismanagement of financial resources. Kamonjo (2012) defined good corporate governance as one that addresses the collective problems in an organisation that arises from the distribution, allocation and management of resources. Corporate failures and increased incidents of fraud arising from poor governance has led to increased need for directors' accountability, introduction of legislation by lawmakers in an attempt to protect the right of an organizations' stakeholders. Kamonjo (2012) went further and recognized that in order to enhance how countries and organisations are performing economically, corporate governance practices need to be improved.

According to Aguilera (2005), the financial chaos that existed in Asia in the late 1990s, as well as prominent problems at Enron, WorldCom, and other connected businesses, has prompted policymakers, investors, academics, and other stakeholders to become more interested in advocating for good corporate governance in the both public and commercial sectors. These events were faced by challenges which led to the rise of certain measures in Mission Hospitals across the globe. The measures include taking control of the Mission Hospital system so as to ensure that it adheres to the principles of good corporate governance

The conservative British government established the first committee, the Cadbury committee, which focused on financial corporate governance issues. According to Omilly (2010), corporate governance in the United Kingdom had problems, for example, they used creative accounting in the calculation of shareholder value, which was causing concern at the time. Secondly, failures in corporate leadership were seen and this was followed up by top management concealing financial difficulties in the organizations they were heading and finally, the public was not contented with the rapid growth in the top management remuneration.

In the case of Mission Hospitals as highlighted by Wiley *et al* (2005) this can happen when high performance does not lead to increase in top management remuneration and the problem of leadership result to the need of an Ad Hoc Hospital committee on leadership management. Recommendations from the said leadership and management committee revolves around ways to increase the executives' transparency and accountability. A good corporate governance system is one that allows the board some freedom to managerial power and to drive the Hospital forward as long as they are accountable in their actions. This has brought up the need to come up with ways to improve transparency on how the top management remuneration is arrived at in mission hospitals.

In an attempt to stimulate economic growth and development in all public, private, and mission hospitals, the Kenyan government implemented a number of economic reforms and put in place the Economic and Financial Crime Commission.

This was mainly meant to keep a close eye to the economy and also intervene in the public, private and Mission Hospitals in the event of financial misconduct. As a result, Kairima (2010) establishes that Many Mission Hospitals have been seen to embrace corporate governance; this is due to the rise in the cases of financial scandals, increase in the employees' turnover, the level of competition among the hospitals and the effort that both the domestic and international investors are putting to enter into the market. A good corporate governance leads to healthy competition between Hospitals and ease access of capital markets. These two factors lead to development in financial markets and an increased growth in the economy. As a result, grew a greater need in Mission Hospitals to develop better corporate governance processes and procedures and ultimately leading to effective operations and performance in the Mission Hospitals.

1.1.1 Performance of Mission Hospitals

Hauber (2020) describes performance as the contributions of specific systems that is: organisational units of differing sizes, employees and processes, to attain and validate the goals of a company. Spenser and McClelland (1994) argue that Performance is said to exist when knowledge, skills and abilities are applied towards the completion of a particular task. They linked competency to performance where they went ahead to define competency as a situation whereby an organisation combines their motives, human resource traits and attitude with the available knowledge and skills towards the achievement of the organisational goals. This means that organisational performance revolves around the narrative that a firms needs to have a pool of assets which include both human capital and financial resources and combine the two towards a common goal. In the case of Mission Hospitals, their financial resources are the monies that they collect from their patients, insurance firms and donors. The human capital are the employees and the capital resources includes all the physical equipment that they use in carrying out their duties.

Performance as indicated by McGahan (2004), is measured when the actual output/ results is compared against the intended outcome/ goals. Although, organisational performance measurement maybe seen as an overall thing, it is usually done at different levels of the organisation and it is at this point, the top-level managers get to pin the departments of weakness, works on them and uses the chance to make sure that the organization strengths are aligned with the trends in the industry

Jahangirian (2017) defines KPI (Key Performance Indicators) as quantifiable information that is used to show whether you are on the track to achieve your laid down goals and objectives. There are three types of KPIs: Leading indicator; this KPI takes into account future activities that have a material impact a firm's performance, lagging indicator; unlike Leading indicator it measures the output of activities that already took place and finally Diagnostic measure which looks out for the health of process or activities being carried out the organisation (Wei Peng, 2008).

There are different KPIs and each has its own various sources. Financial KPIs as the name suggests revolves around a firm's finances. To determine whether the company is meeting its financial objectives, factors including net profit margin, revenue growth, current accounts receivables, gross profit margin, and inventory turnover might be considered. There is also Operational KPIs that are used to show whether pertinent activities in the organisation are carried out effectively and on due time. Operations can be checked using metrics like order fulfillment time, time to market, staff satisfaction rating, and employee attrition rate. Finally, Customer KPIS that revolves around the organization's clients. Given that customers are a company's most valuable asset, measures of the firm's commitment to providing excellent customer service include the number of customers it retains, its market share, net promoter score, and average support resolution time (Badawy, 2016). Jahangirian (2017), in agreement with Badawy (2016) notes that a company's performance can be compared using Marketing KPIs and Sales KPIs from sources like Marketing website traffic, qualified lead volume, call-to-call content conversion rate, and new contract volume, average conversion time, and net sales, respectively. Martin Westley (2009), points out that Performance can be viewed in two perspectives; perspective that relates to results that is, the outcome or the output from the hospital and secondly the perspective that focuses on determinants of the results which entails inputs such as quality, the level of flexibility, the rate of resource utilization and also innovations found in the hospital. He went further and said that well motivated workers carry out their duties effectively towards the better functioning of a hospital. In agreement with the findings of Martin Westley, David (2007), notes that the stronger the relationship between workers and leaders the better the output of the institution.

In addition, Kiliko (2015) in his study on Corporate Governance-Strategic decision making co-alignment, external environment and performance of Mission Hospitals in Kenya, made use of revenue growth, employee retention rate, social equity and environment integrity to measure the performance of Mission Hospitals in Kenya.

In this study therefore, Customer KPIs, Operational KPIs and Financial KPIs will be used as guide during evaluation of Mission Hospitals Performance. Performance measurement will be built around both the concept of results and determinants as this study seeks to evaluate the general performance of mission hospitals not just the Growth in cash inflows. Measuring performance of Mission Hospitals in Nairobi City County will embrace Growth in Revenue, accounts receivables, inventory turnover, Order fulfillment time, time take in the tendering process, employee satisfaction rating and employee churn rate. Additionally, KPIs that focus on the hospital's consumers will be employed, such as average support resolution time, the amount of retained customers as a percentage of market share, and the total of all customers retained.

1.1.2 Corporate Governance

Cadbury (2002) postulates that corporate governance is concerned with holding a balance between economic and social goals, and between individual and communal goals. The governance practices are there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society. O'Donovan (2004) highlighted that it is through corporate governance that the top-level managers ensure that the employees are accountable for their actions, resources are used prudently and fairness and transparency is upheld in the running of the organisation without forgetting to ensure that there is a balance between the interest of the organisations and the many stakeholders. The study further stated that proper management of resources ensures programs do not stall before completion, ensures accountability, promotes innovation and ensures all plans are implemented. Omilly (2010) argued that corporate governance ensures performance is monitored and it also puts in place a structure for setting company's objectives. She went ahead and stated that corporate governance includes variables such as board structure and independence, compensation structure, board size and board responsiveness.

The sum of individuals that constitute the board of directors is referred to as the board's size. Omilly (2010) established that Profitability of a firm is directly influenced by the size of board. This is so as, organisations with a small board size are seen to make decisions in an effective manner and all members of the board will get a chance to air their opinions and participate fully during meetings. She went further and pointed out those organisations with larger board size show less corporate governance responsibility compared with their counterparts.

Board independence measures how free of influence board members are. Vo and Pan (2013) analyzed board independence as an element that affect corporate governance and they found that it has a positive influence on a firm's profitability. According to Kairima (2010), the board of directors' mission is to advance the interests of the shareholders. It consists of both executive and non-executive members. For the non-executive directors to perform their duties effectively they need to be independent from management and also provide unbiased judgment in the running of the organization. Leaders who are conversant with the legal frame work to run an organization appropriately are useful in promoting board independence in the procurement process and also reducing the procurement lead time. Kamonjo (2012) discovered a link between board accountability and a company's financial performance. A board that comes up with ways of reducing wastes and curbing corruption tend to perform better compared to their counterparts.

Keay (2015) defined Board Accountability as the degree to which board of directors are liable for their actions given that they are given significant power to make pertinent decisions. Hurt (2013) argued that existence of accountability systems in organizations acts as incentive to proper policymaking that will in turn lead to improved corporate governance. In addition to that, accountability encourages directors to pause and think before taking an action therefore it can be used as tool to induce reflection and learning. In agreement with Hurt (2013), Moore (2013) observed that situations where decision makers like the board of governors have to explain or justify their actions are likely to operate efficiently compared to where checks are absent.

Stepheng and Stubben (2010) defined board responsiveness as the ability of the board to readily and quickly react to suggestions, appeals and influences brought before them. Moore (2013) asserts a connection between a board's responsiveness and an organization's performance. This is because, time is a precious element in business therefore when the board responds to matters arising quickly, the operations in the firm will run effectively as the board oversees all functions in the firm.

1.1.3 Mission Hospitals

Mbugua (2018) observed that 43% of the country's healthcare to the medium and low-income citizens is provided by Mission Hospitals. Initially, Mission Hospitals' sole purpose as much as they were treating, was to announce one's religious belief and to try to convert someone into joining them. As we drew further away from the colonial period, this has become less important and Mission Hospitals are now seen to be managed by CHAK (Christian health Association of Kenya) which was established in 1930's and KCS (Kenya Catholic Secretariat). The two happen to be the broad categories of church affiliated hospitals (Berman & Benson,1995) and according to their reports, there are fifteen (15) Mission Hospitals in Nairobi City County.

There are 33 denominations such as the Seventh Day Adventist Church (SDA), Presbyterian Church of East Africa (PCEA), Church of the Province of Kenya (CPK) and the African Inland Church (AIC) affiliated to Protestants Church in Kenya. The dominations have led to the rise of 25 Hospitals,49 Health Centers, 336 dispensaries, 53 churches and 9 Nursing training colleges (CHAK report, 2008). CHAK coordinates the health facilities; however, each hospital is self-contained in terms of day-to-day operations. CHAK's main goal is to act as a representative of these hospitals on behalf of the GOK when common issues like disbursement of grant from the government to the hospitals arise and also to act as a coordinator between the hospital on affairs of mutual concern (Berman & Benson, 1995).

Catholic linked hospitals, like their CHAK counterparts, are extremely self-sufficient in their operations. and KCS, just like CHAK, represents its members to the government and also coordinates issues of mutual concern. In Kenya, we also have about 12 Muslim affiliated hospitals that are managed by Crescent Medical Aid (CMA). CMA directly controls the operations of these hospitals; hence they are not self-contained. (CMA,2012).

The health sector has experienced recent developments from the structural development to the use of IT in hospitals that has led to the rise of digital health systems and hence increase competition levels within the sector. Even with the notable growth that has been brought up by IT for instance, issues such has delay in the processing of Local Product Order (LPOs) and Local Service Order (LSOs), prolonged tendering process, deficit between the physical goods and the records are being experienced in a number of mission hospitals. Also, pertaining the physical developments none of the innovations can be attributed directly to employees and also there has been a notable number of strikes and go slows. This among others, prompted the need for this study.

The organizational structure of Mission Hospital administration starts with the board whose members are appointed by a committee of the owning church. The appointment is preceded by a nomination process which is usually guided by criteria set by the Church committee. The Hospital board is responsible for overseeing operations including appointment, discipline and remuneration of the CEO and all public relations in regard to the hospital in consultation with the owning church. The hospital director/ CEO oversees the everyday operations in the hospital with the support of the Administration, Financial officer and Chief Medical Officer (CHAK report,2010).

1.2 Statement of the Problem

Corporate governance is important to the performance of the mission hospital globally (Kinyua & Ngari, 2021). In Kenya, mission hospitals contribute up to 43% of the healthcare service delivery to the medium and low-income groups of the population that mostly reside in the rural areas (Gaturu, Waiganjo, Bichanga & Oigo, 2017). According to Isaack and Muathe (2017), there exists limited and inadequate knowledge on the influences on performance in the mission hospitals in Kenya.

A good number of Mission Hospitals in Kenya started way back in 1920s and since then, they have offered services to patients across the country although dissatisfaction has been expressed through high turnover of employees, frequent change of management and go slow and boycotts by workers (Tomdiet al, 2020). A report by Muhoro (2017) brought out how several mission hospitals are having law suits with regard to negligence and others delayed payments to suppliers. With the organization threats in Mission hospital are exposed to, there is need for right strategic choices to enhance performance (Ansoff, Kipley, Lewis, Helm-Stevens, & Ansoff, 2019).

A report by CHAK (2015) points out that 68% of the mission hospitals have experienced strikes and their human resource turnover is very high, while 26% have had moderate challenges and 6%

have very few of these corporate challenges. Mission Hospitals in Nairobi city county have posted 72% of these strikes, go slows and human resource high turnover which is quite high compared to other Mission hospitals. Grundmann (2019) argued that many workshops and exchange programs have been conducted by the churches concerned in conjunction with the Ministry of Health but this has not alleviated the problem of employee turnover, frequent change in management, lack of employee autonomy, boycotts, increased lead time in procurement and tendering, low number of employee innovations and increased resistance to change.

There are many instances in Kenya of misuse of donor funds by the top management in mission hospitals where massive scandals and fraud involving millions of shillings in donor funds were unearthed in various counties with indication that more than ksh10billion may have been lost in the years 2019-2020 in the health sector (Auditor-General report, 2019-2020). In the same, Barasa, Ouma and Okiro (2020), during the COVID-19 pandemic realized that 22 out of 47 Counties in Kenya had at least one ICU unit with 58%of hospital bed with oxygen supply. The gap in resource unavailability during the era brought about inadequate performance in the mission hospitals with caseloads due to COVID-19.

As mentioned above, research has been done on the impact of corporate governance on an organization's profitability and strategic performance but none highlighted on how corporate governance can impact the day-to-day operations in the Mission hospitals such as lead time, resource utilization, autonomy in decision making and so on that accumulatively result to success or failure a hospital. Hence, the need to explore corporate governance practices and its effect on performance of Mission Hospitals in Nairobi City County

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to determine the effect of Corporate Governance Practices and Performance of Mission Hospitals in Nairobi City County, Kenya.

1.3.2 Specific Objectives

The study aimed to achieve the following specific objectives:

i. To assess the effect of board size on the performance of Mission Hospitals in Nairobi City County, Kenya.

ii. To examine the effect of board independence on the performance of Mission Hospitals in Nairobi City County, Kenya.

iii. To determine the impact of accountability system enforced on the performance of Mission Hospitals in Nairobi City County, Kenya.

iv. To assess the effect of board responsiveness on the performance of Mission Hospitals in Nairobi City County. Kenya.

1.4 Research Questions

i. How does board size affect performance of Mission Hospitals in Nairobi City County, Kenya?

ii. What is the effect of board independence on the performance of Mission Hospitals in Nairobi City County, Kenya?

iii. What is the effect of accountability system enforced in mission hospitals in Nairobi City County, Kenya?

iv. What is the effect of board responsiveness in Mission Hospitals in Nairobi City County, Kenya?

1.5 Significance of the Study

The study's conclusions have both theoretical and practical ramifications for Mission Hospitals in Nairobi City County's future:

Three significant contributions from this research are anticipated. First, by improving understanding of the effect of corporate governance practices and performance of Mission Hospitals in Kenya, this study adds to the body of knowledge already in existence. The agency theory and the balance score card model are the two fundamental theories that guide this study. Understanding the connection between corporate governance and performance in Mission Hospitals has received comparatively little attention in particular. In order to affirm or deny the theoretical foundations, the researcher creates a conceptual framework that questions the validity of the existing theories.

The health sector's performance will be enhanced by the decisions made by policymakers, who will ensure better and more effective use of the limited resources at their disposal. The findings provide an explanation of the performance of Mission Hospitals in Kenya, adding to the arsenal of policy tools already available. In addition, it helps policymakers and managers at all levels by contributing to best practices for enhancing organizational performance. Mission Hospitals have a reputation for lacking sound governance procedures and a strategic perspective that would allow them to respond to an unstable and hostile external environment over time.

The study also benefits the top management team of Mission Hospitals in identifying the weaknesses of their respective hospitals. In addition, the findings made from the study will be added to a body of knowledge that health administrators can use to strategize and anticipate the future direction of their hospitals.

1.6 Scope of the Study

This study aimed to find out how Mission Hospital Performance was affected by Corporate Governance Practices. It took place in Nairobi County because it has the highest concentration of mission Hospitals which are 15 in Number. Due to the inapplicability of the study's findings to hospitals other than Mission Hospitals, their significance is restricted.

1.7 Limitations of the Study

The study was constrained by the following issues:

The respondents were not very open or willing to disclose confidential information concerning the organization. The researcher assured them that the information they would give would be used only for the purpose of the study and that they did not have to disclose or state their personal identity or the identity of their organization as they filled the questionnaires. Suspicion by the respondents of the intentions of the research. A letter was obtained from Kenyatta University (KU) which showed that the researcher is a student carrying out an academic research.

1.8 Organisation of the Study

This document is structured into five chapters. Chapter one contains the introduction that provides a summary of the research that is, the conceptual and historical context in which the research is based. The concepts that are covered in this project include corporate governance, mission hospitals and performance. The scope of the research was to interrogate corporate governance practices and performance of Mission Hospitals in Nairobi city county. The chapter also covers research problem, research objectives, scope of the study, value of the study and limitation of the study.

Chapter two covers theoretical, conceptual and empirical literature review. It first discusses the theoretical underpinnings of the study variables before conducting a full pairwise empirical analysis of the study ideas and their impact on organizational performance. Before presenting the conceptual framework and the study issues, knowledge gaps that emerged from the review of particular prior studies are outlined.

Chapter three presents the research methodology, which it includes the research design, location of the study, target population, data collection, reliability and validity of instruments, data collection procedures and data analysis.

Chapter four provides various data analysis and findings. The response rate and results of tests of the research questions are also found in this chapter. Chapter five presents discussion of study findings, the summary, conclusion and recommendations for further study. Limitations of the research and suggestions for further research conclude this project.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the research on the topics of board size and performance, board independence and performance, accountability system and performance, and board responsiveness and performance. Finally, a conceptual framework for the study is presented.

2.2 Theoretical Literature Review

A theory is an organized body of concepts that aids in understanding a phenomenon and in formulating predictions about it. It is a general statement that is used to explain facts (Meece, 2002). In this context, Agency Theory and Balance Score Card Model were used to govern this study. Corporate governance propels every resource in the organization towards achievement of returns on their investment. Agency theory is therefore relevant as it reduces agency costs.

2.2.1 Agency Theory

This theory was conceptualized by Jensen and Meckling (1976) and is based on the notion that when a company is first established, its founders remain actively involved in its management because the business is still in its early phases and does not require the hiring of people. But as the time goes and the firm expands its operations then a management team is hired to work on behalf of the owners. Now this is the agency relationship; the owners are the principal whereas the management team the agents. It explains how the owners of the company and the top management interact. The top management are given the responsibility of running the organization by the owners and it is the owners' belief that their interests will be well taken off and represented by the top management. In the event that the owners and the management team work together then, the

Hospital is bound to succeed. Other times, the Mission Hospital management team contravenes the agency relationship and this gives rise to agency problems.

In the case of Mission Hospitals, the owners, who ae the mother church, have appointed a management team headed by Hospital C.E.O to carry out duties on their behalf. The management is entrusted by the sponsors that they keep their interests ahead in every situation but this is not always the case. Sometimes, the top management becomes blinded by their individual interests and this brings about the principal agent problem. For instance, agency problem can arise when; the top managers pay themselves high incentives which do not match up with the work done. Also, the top managers may choose to involve themselves in situations that will only add up something to their reputations at the expense of the hospital performance.

This situation can be minimized when the owners together with the management team puts in place very strong management policies that will be used in the running of the Mission Hospital. They can also carry out audits frequently to curb mismanagement of funds and misuse of office. By so doing, this will ensure that both parties interests are safe guarded.

This study, made use of Agency theory to show how corporate governance affects the agency costs and the effect that it will have on the general performance of Mission Hospitals.

2.2.2 Balance Scorecard Model

It was first suggested by Robert Kaplan of Harvard University and David Norton (1992) as a way of increasing the productivity in organizations by implementing and managing significant strategies. It is a methodology that acts as a link between the organizations vision and its strategic objectives, measures, goals and initiatives. It helps businesses maintain a balance between their four areas of the entity's financial and non-financial objectives. These four areas include: Financial, Customer, Internal Processes and Organizational Capacity. The methodology also makes it possible for organizations to avoid coming up with expensive projects that have no positive impact on strategies by creating ways to measure objectives and consequently identify projects in line with the objectives (Kaplan & Norton, 1992).

In the case of Mission Hospitals, the financial perspective covers elements such as return on assets and growth in revenue, the customer Perspective entails elements such as customer satisfaction, on-time service delivery and the value customers place on the firms' products, the learning and growth perspective revolves around elements such as the employees' performance in the delivery of services, their skills, the hospitals culture and the type of leadership style practiced by the hospital and finally the internal operations perspective elements such as how well the business is operating and the degree to which the mission hospitals services conform to what is required by the customer.

The Balance Score Card Model was used in this study to demonstrate how the strategic goals of Mission Hospitals— internal processes, customer, financial, and organizational capacity perspectives—affect mission hospital performance.

2.3 Empirical Literature Review

2.3.1 Board Size and Performance

According to Price (2018), the sum of all outside directors, executive directors, and non-executive directors present at each firm within a given accounting year is the board size.

Several researches have been done on the role of board size as a component of Governance. According to Fathi (2013) in the study on corporate governance and the level of financial disclosure in Tunisian firms where data was collected in 21 firms and the data analyzed by use of ANOVA and correlation analysis, found out that there are advantages, keeping the size of the board to a manageable amount can improve how financially successful a firm is, as the advantages accrued from use of larger boards like increased monitoring are outweighed by the demerits like poor communication and long decision-making process. Fathi (2013) went further and opined that firms with larger board sizes incur more expenses as board members are entitled to allowances and benefits. She also raised the concern of small board size allows each of the board members to participate in the meeting without some remaining passive.

In addition to small boards being more effective and easier to be controlled by the C.E.O, Kamonjo (2006), conducted a study on corporate governance practices in developing countries. Through the use of survey using questionnaires with open ended and closed ended questions, data was analyzed by use of descriptive and inferential statistics and the conclusion was that when the board size increases, its' coordination becomes difficult and also, they take longer periods to solve strategic problems of a firm. Mutuota (2011) also reported that small board size affects positively the manner in which a firm performance financially.

There are researches that had contrary findings that large board sizes and raising the quantity of non- executive members can also be advantageous to a firm. Board composition is anticipated to increase when the need for information is high (Boone et al., 2007). The need for information increases as the firm increases in size. Raheja (2005) highlighted that firms with large board enjoy the large pool of information that every board member brings forth. He also went further and opined that larger boards have effective brainstorming sessions which affect the firms' performance positively due to the combining of the various valuable ideas.

The hospital is usually under the management of the hospital board which is appointed by the health board and a few of its role is to act as oversight of the general and financial performance of the hospital, ensure the hospital fulfills all its legal requirements and appoint the auditing team. Greenburg and brown (2008) Postulated that the executive committee is crucial in the performance of the board in its duties. They still maintain that the executive committee's size and sophistication will affect how well the board performs because they are the ones who will support the implementation of the board's adopted policies. In agreement with that, Armstrong (2011) Highlighted that the adhoc committee may determine the performance of the board in any hospital hence the need for the committee to be functional. This implies the more efficient and effective the sub committees, the better the performance of the board as they keep the board awake to their responsibilities and duties.

According to Danoshana and Ravivathani (2013) a study that took place in Sri Lanka on how organizational governance relates with profitability through regression analysis, they claimed that an organization's profitability is significantly impacted by board size and how frequent the board meetings are. The study’s target population involved 171 listed entities and the data used was collected from stock exchange which led to the conclusion that when the board size is small and they meet frequently then firms profit tends to increase.

Additionally, Stephen and Olatunji (2011) conducted research on how non-executive directors affect banks' profitability, found a negative link between non-executive members and profitability. That is, firms that include more outside directors in their board enjoy fewer profits compared to those that their board consists only of executive members. The study cut across universal banks operating in Nigeria and 24 of them were sampled. The study used a data regression model for analysis because it included both cross-sectional and time series data.

Cheema and Din (2013) evaluated the impact that corporate governance on business performance by sampling 15 enterprises in Pakistan's cement industry. The company's financial records and yearly reports were of use in the gathering of data, and regression analysis was applied to undertake the empirical inquiry. They established that while the general size of the board has a detrimental outcome on a company's financial success, CEO duality has a beneficial effect on a company's profitability.

Coles et al. (2008) found that the influence of board size on performance changed with regard to the kind and size of the company in their study on how the size of the board impacted how organizations accomplished their laid out goals in the UK. He noted that certain value maximization objectives define the size of the board. He demonstrated through regression analysis that there is a material relationship between a firm's performance and its size of the board.

Also, according to Guest (2008), in his study on how the firm performance is affected by the board size; the UK institutional context, where 2,746 companies between 1981 and 2002 were sampled and he established that the effectiveness of large boards depends on the responsibility that the board members are expected to take, which is different from each country with regard to their institutional and legal environment. He used data gathered, analyzed through Tobin's Q and the yearly share return.

In addition, a study by Prybil (2018), on Size, Composition, and Culture of High-Performing Hospital Boards, established that hospital boards that were large in size and had both experienced and respected people making up part of their board, recorded much greater profits compared to their counter parts.

2.3.2 Board Independence and Performance

Recce (2010) defined independence as the freedom of the board from control or influence by any forces whether internal or external. He argued that any organization operating free from interference during recruitment and appraisal, end up with competent employees and this leads to an increase in a firm's performance. Also, when a worker is going through the process of discipline, firms are said to report improved efficiency. Effectiveness comes in when the boards embark on the existing situations and crime/ offense and not views from outside.

Rashid Afzalur (2018) conducted a research on effect of corporate governance on financial performance of listed insurance firms in Kenya and through the use of cross-sectional survey design and use of inferential and descriptive analysis for data analysis, pointed out that board independence and an organizations' financial performance have a positive influence on each other. Rashid Afzalur (2018) went ahead and clarified that independent directors are valuable to a firm as they not only evaluate the proposals and strategic moves of a firm but they also act as a monitoring and evaluation body.

Similarly, Rossanbonan and Aronasalum (2014) carried out research on Moving to Performance Based Management, they subjected the data from a sample of 17 firms to regression analysis and concluded that church and stakeholders have a part to play in ensuring that the board takes up its role smoothly. This implies that the church leaders and all stakeholders must keep the board on its toes by making positive criticism when necessary.

A report by the (NCCK) National Council for Churches in Kenya (2014) highlighted that the board functionality is dependent on its independence in duty performance. According to this report, interference by the church leaders or stakeholders may hinder the good performance of the board. However, if the board takes its duties with confidence and without fear of interference from any corner, it is bound to make the Mission Hospital progress in all ways.

Furthermore, research by Singh (2008) on Managing Conflict and Negotiation among Board Members in India, use of cross-sectional survey design and the data was analyzed through the use of correlational analysis and inferential statistics, shows that conflict is an unavoidable social occurrence since people have such diverse demands, interests, and perspectives. The study goes on to state that a crucial element in the success of a fruitful working relationship is how the board handles conflict. In addition, the study also mentions that the hospital board can conflict with medical and nursing staff of the hospital if the board interferes with their professional work except on ethical grounds. The study confirmed the premise that the board must not be influenced or controlled by any party when trying to resolve conflicts.

Bingo (2010) is in agreement with observing board independence when managing conflicts in the firm. Bingo in the study in Madagascar by use of correlation and ANOVA analysis of data collected from a survey of 72 firms, concludes that the workers need must be a priority to the board to ease conflicts and for the board to undertake their functions smoothly. It was also observed that the success of the board does not mean the chairperson and the secretary making decision on behalf of members but all members must be consulted when decision are being made.

Several researches have been done on the role of board independence as a component of Governance; According to Sanda (2011), who conducted descriptive study on board independence and financial performance in Nigeria, Board independence significantly improves a company's financial performance. To further the notion, Mungol (2014) collected data on the role of employee in running hospitals and found out that lack of motivation and poor payment of workers can cause instability and retrogression of the hospital. According to the research, some workers went on strike due to delayed payment and lack of compensation for workers who incur damages in the line of duty. Through sampling of 120 employees and use of regression analysis, he concluded go slows and strikes from employees affect the independence of the board in coming up with policies to arrest the situation.

There are also researches that had contrary findings; Agrawal and Knoeber (1996) in his study on proportion of board directors and firm performance sampled400 firms in US that had hired more independent board directors from outside the firm faced low performance compared to their counterparts that got board directors from inside the firm. He noted that as much as the board of directors was free from influence coming from the firm, they were not well equipped with technical know-how that someone in the firm would have.

In his investigation into how board independence affects company performance, Black (2002) looked at 934 major US firms. He discovered a substantial inverse relationship between firm success and board independence, in agreement with Agrawal and Knoeber (1996). In addition, McNatt *et al* in their study Implementation of hospital governing boards: views from the field, carried out a cross-sectional study which involved the governing board chairpersons to see how structure, duties and responsibilities, training and orientation procedures affects hospital performance. The research found out that hospital performance is contingent on whether the board of governance has the technical knowhow to make daily decisions and its capacity to complete necessary duties.

2.3.3 Accountability Systems and Performance

Daft (2008) defined accountability as the readiness of the hospital board and employees to give an explanation to the decision they make or implement. It also involves taking responsibility for decisions and actions and is especially important in relation to people who are affected by the decision made or implemented.

Koppel (2008) argued that accountability has multiple characteristics which can be explained under 4 dimensions: transparency, controllability, liability and responsibility and they involve putting in place measures to prevent errors from occurring and making sure that organizations attain their laid down goals and objectives. He further argued that organizations that tend to practice accountability after something wrong has happened result to the belief that accountability is a punitive response to a loss. He concluded that these organizations don’t tend to enjoy increased profits like their counterparts who prevent such occurrences.

Daft (2008) in his study on transformational leadership, through sampling of 140 employees and use of multiple regression analysis emphasizes that, accountability goes hand in hand with good leadership. Daft (2008) noted that the attainment of organizational goals is made possible when the management can give a full account of their decisions. It was further postulated that when transparency is absent among board members, we are likely to witness all sort of problems: embezzlement of funds, money spent on the wrong project, unfair student admission and also the public procurement and disposal act (2008) is likely not to be abided by. This can lead to all procurements not being completed within the purchasing entity's agreed budget, the rule requiring the establishment of a tender committee of at least 5 members being violated, and people being granted contracts without necessarily meeting the criteria stated.

Yegon (2014), conducted a descriptive survey on Impact of corporate governance on agency cost of quoted services firms in Kenya and found out that all accountable and transparent board must be guided by this law at all times and if they do not then, unethical practices would be glaring at the firms. Such unethical practices include: favoritism during recruitment of staff, influencing promotion of non-deserving members, soliciting for bribes from people who want favors from the organization, influencing tenders in favor of relatives and friends, demanding financial favors from the hospitals, misuse of hospital resources and favoritism when disciplining employees.

Rhodes (2015) also emphasized on the need for the board to give an explanation to its stakeholders why certain projects are implemented and others not yet started. The strategic plan directs the particular way the board takes in development hence in case the board makes adjustments clear to workers and other stakeholders. These words are greatly supported by Joseph (2007) in USA when he stated that even minor things like change of patient diet must be taken seriously so that they are notified.

In addition, there are governing laws that enhance accountability systems in firms such as the Anti-Corruption and Economies Act (2003). This statute lists the following as corruption offenses: bribery, fraud, breach of trust, dishonesty relating to taxation, and election to public office. abuse of office, favoritism and discrimination. Such practices can adversely affect the running of any Mission Hospital. The other law is the public officer’s ethics act (2005) that expect board members to carry out duties efficiently and honestly, to treat members of the public and fellow officers with cutesy and respect not to use one’s office to enrich oneself, to observe working hours, to take care of property one is entrusted with and not to misappropriate such property and to be professional when discharging duties and responsibilities. There are also laws prohibiting certain aspects of integrity and good governance, such as the public audit act, the witness protection act (2006), and the revenue of crime and anti-money laundering act.

Several researches have been done on the role of accountability systems as a component of Governance. Rashid Afzalur (2018) used multi regression analysis on 20 commercial banks in Kenya, in the study relationship between strategic performance management and employee retention in commercial banks. The correlation results showed that there is a favorable association between accountability systems and a firm's success. This is so as, when the top management takes the time to elaborate the reasoning behind the accountability systems to employees instead of imposing them, the employees become more receptive and therefore making them more responsible in their act which in turn improves their performance and hence increased profits.

Nyakundi (2014) sought to ascertain how revenue was influenced by internal control systems affected the fiscal functioning of small and medium-sized firms in Kisumu, Kenya, in his study. He employed quantitative and qualitative methodologies to attain the research goal, utilizing a cross-sectional survey research approach, and using inferential and descriptive statistics to analyze the data. Small and medium-sized organizations' financial performance is significantly impacted by internal control systems, according to the research, and training should be conducted consistently make sure that the systems are being used effectively.

In his research on how corporate governance affects the functioning of companies, Miring'u (2009) discovered that the political make-up of the board as well as the capacity of the board to account for each decision it makes have an effect on the financial performance of local authorities. He discovered that political composition and the competence of the board to explain for each of their choices affect the financial performance of local governments using a multi regression model. He went on to suggest that the acts of the managers should be examined on a regular basis, and that audits should be conducted whenever possible.

Accountability systems require employees to have an explanation to every move they make. This can be very nerve wrecking and end up encouraging risk aversion and thus affecting a firm's performance (Bruce, 2011). On his study on corporate governance mechanisms and firm efficiency, Bruce (2011) goes further and explains how several accountability procedures lowers employees' morale and employee empowerment should be used in place of accountability systems. Employees need to feel that the top management trusts them to a certain level and this cannot happen when they are demanding frequent accountability. His content analysis findings revealed a conflict between accountability systems and a company's effectiveness.

There are also researches that had contrary findings; Lasuli et al. (2017) used multi-regression models on 52 state owned hospitals in their study on Accountability in Public Health Care Systems: A Developing Economy Perspective, where the inquiry was centered on Hospital Directors and Accountants, the correlation results are in agreement with Bruce (2011) which shows that accountability and performance have a negative performance. Their findings were that when a hospital puts in place several accountability systems, employees are left with close to no autonomy to carry out operations and also, employees feel less trusted and thus lowering their morale.

2.3.4 Board Responsiveness and Performance

Rhodes (2015) defined Board responsiveness as the endeavors to make decisions that address the real issues affecting the hospital. It also means that decisions do not take too long to be made and issues are addressed as soon as possible.

Steves (2008) in the study of relationship between strategic recruitment and employee retention stipulates that where there is no responsiveness in any hospital there can be waste of time on the part of the staff. This was arrived at through the use of survey of 26 commercial banks in Kenya and inferential and descriptive statistics. In addition to the conclusion also, members of the public who need services may also end up losing precious time due to the unresponsiveness of those from whom they expect services. Board members have many issues to respond to appropriately and in good time to ensure efficiency and effectiveness of policy implementation. Millie (2015) points out those board policies must be brought out in good time for implementation for as they say, justice delayed is justice denied. This will ensure good working environments with all stakeholders.

Harold (2008) used multiple regression analysis on 46 hospitals in India in the study on time management and performance in hospitals. Correlation results displayed that time is an important resource to managers and employees as well and to the general performance of hospitals. additionally, it showed that working time must be accounted for, for any positive output to be realized. Further it was established that there are specific areas to be considered in time management that is: reporting time of employment, time taken in every activity, board meetings, staff meetings, and time taken to attend to every patient at the outpatient and inpatient departments, time taken to communicate information and also time taken to review salaries.

Several researches have been done on the role of board responsiveness as a component of Governance. Mintzberg (2006), in his study on effect of employee relationships and performance, building top performing teams are organized through delegation, role modeling, coaching and mentoring. The study used regression model for analysis and the findings were presented through the use of chats and tables. The conclusion was that a strong board should always show confidence to its employees, develop uniqueness in their work and be able to communicate their vision and do not always take credit for everything, for it has taken others time and sacrifice to build a high performing team.

Oluoch (2015) in his study on leadership and procurement procedures admits that the efforts of the board to make decisions effectively, affects all hospital areas positively like stores management can avoid over and under stocking of material, protect the materials from loses and damages and also can minimize the storage cost and maintain systematic records. The methodology used was cross-sectional survey design and the data was analyzed by used of inferential and descriptive statistics. It was also established that when decisions are timely made in approving the procurement plan, selection of potential suppliers, award of tenders and review of selection and procurement method and tender terms, it leads to procuring of goods in relatively large quantity to tackle the advantage of cost benefits amongst other reasons.

In addition, Gutner (2014) in his study on making the right decisions about new technology opined that the management boards have to regularly make a choice between with level of technology to adopt in their hospitals. Technologies cut across every area in the hospital and thus that decision is very vital in the good performance of the hospital. He went further and highlighted that in the event a wrong technology is picked, it can cause tremendous effects on patients leading to numerous lawsuits and also the wrong technology is a wasted resource by itself. To arrive at the findings, the study employed empirical survey across 220 experts in the health sector from 34 counties to gather the pertinent information.

Goran (2018) in his research board attributes and their implications on decision making process, by use of regression analysis had contrary finding in that effective decision making requires a sequence of activities like brainstorming and evaluating at different options placed on the table. This is time that the hospital may not always have. He went further and postulated that decision making also requires the board members to meet several times which translates as expenses to the hospital.

2.4 Summary of Literature Review

In the commercial sector, corporate governance is a crucial component. For Positive performance of all enterprises, corporate governance principles need to be implemented. Although numerous research on corporate governance and company success have been conducted, none have been identified to examine corporate governance in the context of mission hospitals' overall success. As a result, this is the contextual gap that this research investigates. The researcher discovered that articles and journals by both national and international scholars focused on corporate governance components such as board size, How frequently the board hold meetings, the freedom of the board from influence,, board competence, accountability systems, and political composition during the literature review.

Table 2.1: Summary of Empirical studies

Author	Title	Methodology	Findings	Research gap	Focus of this Study
Danoshana and Ravivathani (2013)	To find out the connection between the type of governance in organisations and profitability in Sri Lanka.	The study made use of regression analysis.	The study showed that a small board size and frequent meetings have a considerable favorable impact on organizational revenues.	The performance of the healthcare sector was not examined in the report.	The current study focused on four components of Corporate Governance in Mission Hospitals.
Coles et al. (2008)	To establish the Effect that board sizes have on a 's firms performance in the UK	The study exploited Regression Analysis	A large board of directors has a pertinent impact on a company's performance.	The previous study looked at organizations in the United Kingdom, but the current study will focus on Nairobi City County in Kenya.	The current study focuses on Corporate Governance and Performance of Mission Hospitals in Nairobi city county, Kenya.
Sanda 2011)	To determine the association between independence of the board and the Firm's Financial performance in Nigeria.	Descriptive statistics and regression analysis were employed in the research.	According to the data, board independence has a considerable favorable impact on a company's financial performance.	The research was limited to the financial performance of Nigerian businesses.	The current study reviews the relationship between Corporate Governance and Performance in Mission Hospitals
Agrawal and Knoeber (1996)	To analyze the gender Proportion of board members and firm performance	The study made use of t-test and Multiple Regression.	Board independence is inversely connected with business performance.	Other factors that affect success are board independence, board responsiveness, and accountability procedures, which were not included in the study.	Conceptual, contextual and methodological gaps are addressed.

Wang and Zhou (2009	The agenda of this study was to see how organizational governance affects corporate profitability and valuation in China.	The study made use of Multiple regression.	Board independence has a significant favorable impact on a company's financial success.	The study was limited to the financial performance and evaluation of Chinese businesses.	The current study focused on the relationship between corporate governance and performance of mission hospitals in Nairobi city county.
Bruce (2011)	To discover of corporate governance's mechanisms and firm efficiency.	The study used Multi regression analysis	Accountability systems were found to have a negative association with a company's efficiency.	The previous study did not look at board responsiveness and accountability mechanisms as variables that affect corporate governance, which is what the current study is looking into.	The current study focused on four components of Corporate Governance in Mission Hospitals
Miring'u (2009)	To determine the strength of influence of corporate governance on the performance of commercial state corporations.	Multi regression model.	The performance of state corporations is influenced by accountability mechanisms and political makeup.	The performance of the healthcare sector was not examined in the report.	Conceptual and contextual gaps are addressed. Corporate Governance and performance were conceptualized and operationalized
Nyakundi (2015)	To determine how revenue is affected by internal control systems in small and medium-sized businesses in Kisumu City,	The study used both Inferential statistics and Descriptive Statistics.	Internal control systems have a substantial impact on the revenue being generated by small and medium-sized businesses.	The study concentrated in Kisumu County's SMEs.	Conceptual, contextual and methodological gaps are addressed.

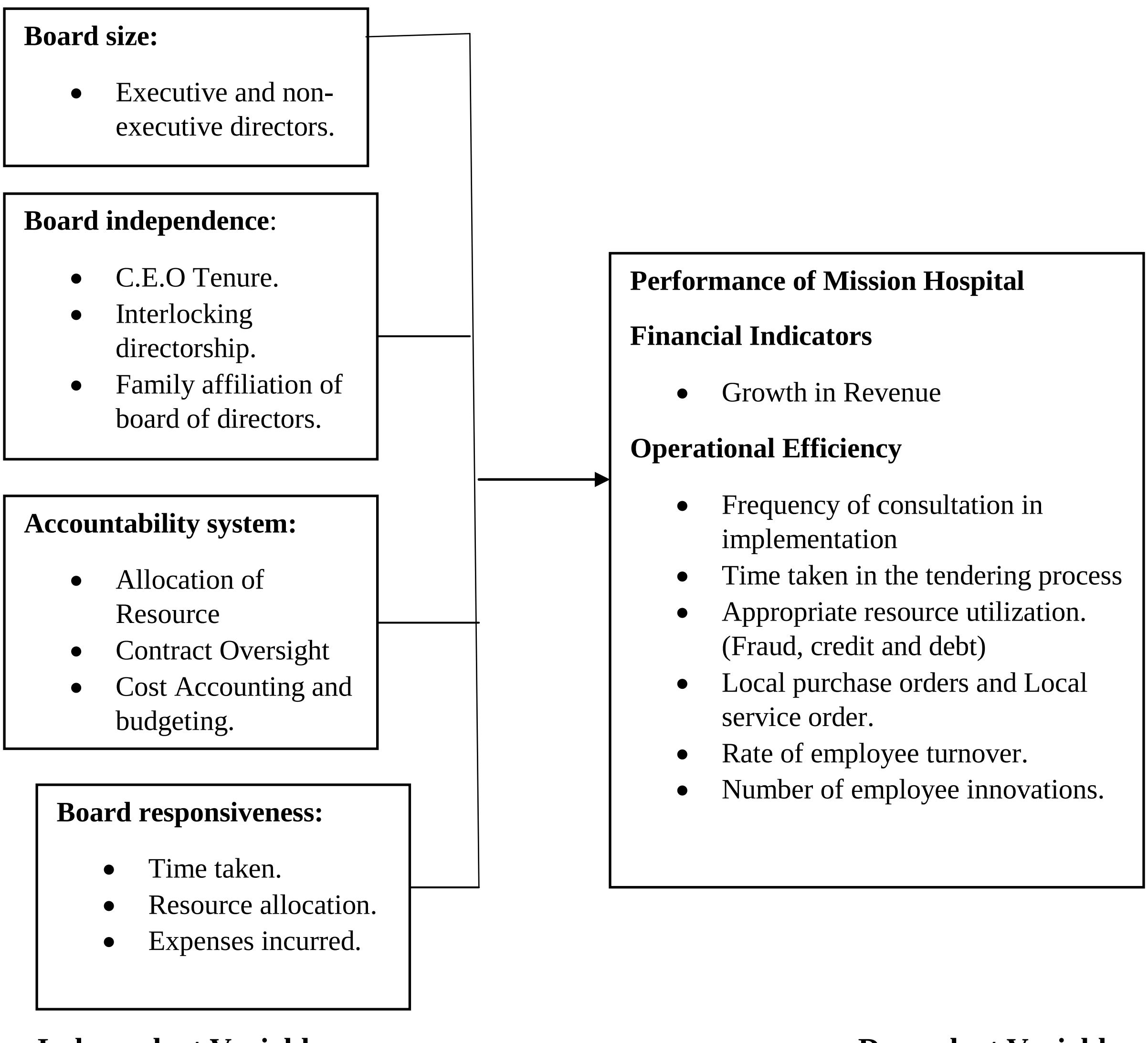
	Kenya.				
Guest (2008)	Effect of the size of the board on a firm's performance; the UK institutional context.	The study used Tobin's Q and the annual share return.	The efficacy of large boards is determined by the level of responsibility that board members are expected to assume, which varies by nation and depends on the institutional and legal framework.	The research used a cross-country comparative analysis, while the current study is only focused on Nairobi City County, Kenya.	The current study focused on the relationship between corporate governance and performance of mission hospitals in Nairobi city county.
Stephen and Olatunji (2011)	To establish how non-executive directors affect profitability of banks.	Regression Analysis was employed in this investigation.	Non-executive members were found to have a negative association with profitability in the study.	The study used non- executive directors has the only variable affecting performance. The study also focused on banks alone.	Conceptual and contextual gaps are addressed. Corporate Governance and performance were conceptualized and operationalized

Source: Author (2022)

2.5 Conceptual Framework

A conceptual framework, according to Mouly (2013), is a graphic representation of a research question or thesis. topic or thesis. It enables the researcher to draw links between previously published information and their own study goals. It is used by researchers to aid in data collection and processing. The Agency theory and Stewardship theory provided a framework for comprehending the dynamics supporting corporate governance and how they affected the operation of mission hospitals in Nairobi City County, Kenya. By defining what questions should be asked in the questioners, the conceptual framework directed the data collection for the study. The framework theorized the presence of corporate governance and its implications for mission hospitals in Nairobi, Kenya. Mission hospitals' performance may be influenced by corporate governance. The interaction is illustrated in figure 2.1 below;

Corporate Governance



Independent Variable **Dependent Variable**

Figure 2.1: Conceptual Framework of the Study

Source: Author (2022)

Figure 2.1, Corporate Governance Practices denotes the independent variable in the study while performance denotes the dependent variable. Mission Hospital Performance was evaluated based on the Annual report declared by each individual hospital. The Study also went ahead and looked at Time taken in the tendering process, the rate at which resources are being utilized in the hospital, the rate of employee turnover, how frequently is consultation in regard to implementation done, the degree of autonomy of their employees in delivery of services and also number of employee innovations.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter focused on research methodology that was used to conduct the study. The chapter focus was on research design, the study population, location of the study, sample size, and sampling techniques. The chapter also presents research instruments, validity and reliability of instruments, data collection procedures, pilot study, data collection procedures, ethical considerations and data analysis.

3.2 Research Design

The study made use of descriptive survey research design. Orodho (2003) described descriptive survey research design as a method of learning about people's attitudes or behaviors towards a certain field of study. Descriptive survey research design was preferred as it makes it possible for a researcher to collect information from a large sample size and also where the data being collected is comprehensive (Orodho & Kombo,2002). The approach can be applied to both qualitative and quantitative data, as well as to queries about the current state of the issue under investigation. From use of the said research design, benefits such as cost effectiveness and collection of information that is representative of the general population will be enjoyed (Orodho, 2003). As a result, the researcher discussed corporate governance methods and their impact on Mission Hospital performance in Nairobi City County, Kenya.

3.3 Location of the Study

The study took place in Nairobi City County and its surrounding areas. The County has many hospitals but the research concentrated on Mission Hospitals which are fifteen in number. According to Chak (2016) report, most of the oldest mission hospitals in Kenya are in Nairobi City County. The Hospitals were deliberately chosen for this study because most of them have not been performing well yet some of them started in 1920s or thereafter. The poor performance of these hospitals could be attributed to the corporate governance practices employed.

3.4 Target Population

The study's population was drawn from fifteen mission hospitals in Nairobi City County and its environs. The top-level management and the middle level employees in each mission hospital were targeted. The study made use of the above levels of employees present in the mission Hospitals to arrive at a conclusive finding on how effective and efficient the decisions made by the board members are. The two levels were used as that the group that has information in relation to the operations of the board. The total number of employees in the chosen categories across the 15 mission hospitals as demonstrated in appendix 1 is 1678 (Medical Directory of Kenya, 2021).

Table 3.1: Target Population

Strata	Number of Employees across the 15 Mission Hospitals
Top-Level Managers	191
Middle Level Employees	1487
Total Employees	1678

Source: Medical Directory Kenya (2021)

3.5 Sample Design

The first concern in sampling design that the project addressed was determination of sample size. The study used the approach presented by Krecjie and Morgan (1970) to come up with the sample size from a total population of 1678 employees based on the level of confidence and margin of error. Using a 95% confidence interval and a 5% margin of error, the sample size was found to be

306. Given that the value of the population size, 1678 is not on the table, the sample size was arrived at using 1500 as the next nearest value.

Selecting a subset of the total population or universe to stand in the place of the complete population, according to Kathuri and Pals (1993), is the process of sampling. The Study made use of Stratified Random Sampling. Stratified Random Sampling, according to Kombo and Tromp (2006), is a method in which the researcher divides the population into smaller groups that are representative of the overall population and draws a sample from each group separately. The strata used in this study consist of Top-Level management and Middle Level Employees. In this study, stratified random sampling was ideal because it produces information that may be extrapolated to a vast population falling within the statistically specified margins of error.

Table 3.2: Sample size

Strata	Total Population	Sample proportion	Sample size
Top Level Managers	191	191/1678=0.11	35
Middle Level Employees	1487	1487/1678=0.89	271
	1678	TOTAL	306

The distribution of the sample size in each stratum across the fifteen mission hospitals is shown in appendix 1.

3.6 Data Collection Procedures

The researcher needed a letter of introduction from the university and a research authorization from the National Council for Science, Technology, and Innovation (NACOSTI) in order to gather data. Once authorization was obtained, approval as requested from the C.E.O of the hospitals. The researcher then went to the designated mission hospitals, introduced herself to the respondents, and described the significance of their involvement in the study as well as the goal of the investigation.

The participants were free to engage and also they were allowed to express themselves in either English or Swahili and they were assured of strict confidentiality when dealing with the responses. The respondents were given not more than 2 weeks to fill the Questions.

3.7 Data Collection Instruments

Questionnaires with closed-ended questions, were used to collect information. Employees were required to offer personal information as well as unbiased opinions and explanations. Bloom (1985) found that using a questionnaire has a number of advantages in terms of administration. It enables convenient data collecting and provides a constant stimulation potential to many people at once. According to Gay (1982), questionnaires provides the respondents with the opportunity to communicate their ideas and opinions as well as make recommendations. This study made use of questionnaires directed to the Top-Level Management and Middle Level employees.

The questionnaire was divided into seven parts. Items in the first part were closed ended and were based on Demographic information, Section II items were both closed and open ended based on board Size, Section III questions were closed ended and were based on board independence, Section IV items were closed and based on accountability system, Section V items were closed ended and based on board Responsiveness, Section VI items were closed ended and based on financial performance and finally Section VII items were closed and based on operational indicators.

The Likert scale type questions were used for ratings as these types of questions are made up of descriptions which can be used to rank or even rate the subjective and the intangible components of research (Mugenda & Mugenda, 1999). The distribution of questionnaires gave respondents the opportunity to freely express their beliefs and viewpoints.

3.7.1 Pilot Test

Piloting was conducted in St. Matia Mulumba Mission Hospital in Thika, as the mission hospital is close to the location of the study which means that it has similar characteristics as those of the sample size (Basavanthappa, 1998). Also, this prevented sensitization of selected sample. By use of piloting, any ambiguities were identified, and vague questions were improved. It also aided the researcher in determining the clarity of meaning and compressibility of the items, as well as the time required to obtain the necessary information.

3.8 Reliability of Instrument

Consistent outcomes are established after several trials, and this is when reliability is attained (Mugenda & Mugenda, 2003). Borg and Gall (1989) defined reliability as the degree of internal uniformity of the measuring devices' stability across time. The degree of dependability, precision, and adequacy of research tools improves with reliability. The study employed Cronbach's coefficient Alpha score to determine the questionnaire's applicability to certain research objectives with a co-efficient range of 0 to 1.00. This method was appropriate as it involves a single administration of the instrument and also where items have choices (Cosby, 2003). The results of the investigation are presented in Table 4.2, with a coefficient of 0.7 and above.

Table 3.3: Reliability Analysis

Variable	Cronbach's Alpha Score	Comment
Performance	.821	Reliable
Board Size	.746	Reliable
Board Independence	.753	Reliable
Accountability System	.821	Reliable
Board Responsiveness	.824	Reliable
Overall Instrument Score	.793	Reliable

Source: Survey Data (2022)

Corporate governance methods such as board size, independence of the board members, accountability system and board responsiveness as well as Mission Hospital performance in Nairobi City County, Kenya, all exhibited Alpha values of 0.821, 0.746, 0.753, 0.821, and 0.824, respectively, as shown in Table 4.2. As a result, the variables utilized in the investigation had reliability coefficients over 0.7 as indicated by the overall instrument score of 0.793, indicating that the research instruments adequately measured the research construct (Rousson, Gasser &Seifer, 2012).

3.9 Validity of Instrument

To increase the validity of research tools being used, the researcher checked on content and face validity. Content validity is checked through expert opinion (Alken, 1982). In this project, the researcher got support from the university supervisor. In so doing, the questionnaire items reflected the material that the test is intended to assess and also all the areas that needed to be examined were included (Borg & Gall, 1989). For the face validity, the researcher made sure that the questionnaires had suitable text size, spacing, and a generally appealing appearance. Peer judgment was also used as a basis for reviewing the researchers' own judgments.

3.10 Data Analysis and Presentation

Data gathered from respondents using questionnaires was carefully checked before data analysis begun in order to maintain consistency. Using descriptive statistics, a subset of statistics that offers a way to summarize data, the sample, independent variables, and dependent variables were described (Fildmay, 1987). The data acquired from various portions of the study was described using descriptive techniques such as frequency distributions, percentages, means, and standard deviations, and the results was presented using tables and figures. Because the variable's parameters are on a Likert scale, the researcher additionally computed composite scores for each of the variables under investigation.

The research made use of multiple regression analysis for inferential statistics for the research hypotheses produced from objectives one to four. The level of relevance in relation to corporate governance practices and mission hospital performance was determined using regression analysis. The influence of corporate governance (independent variable) on mission hospital (dependent variable) performance was investigated using multiple regression analysis. The regression model used in this report was;

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3+ \beta 4X4+\epsilon$

Where,

Y– Performance

β0 – Constant

X1 – Board Size

X2 – Board Independence

X3 – Accountability Systems

X4 – Board Responsiveness

Є= Error term

The existence, nature, and degree of correlations between the variables was also determined using the regression co-efficient. Data analysis was carried out using the Statistical Package for Social Sciences (S PSS) version 23, which is a comprehensive and integrated set of computer software.

3.11 Ethical Considerations

When conducting research, ethical measures are guidelines that a researcher should follow. Oliner (2010) noted that the potential respondents should be made aware of the nature of research project and its purpose before embarking on research. The researcher made sure that the respondents had enough information regarding the study's goals, processes, potential advantages, and how the data will be used. This made it possible for respondents to decide for themselves whether or not to participate in the study. There was no trickery or coercion used to get the answers. In order to protect the confidentiality of the data, they were requested not to write their names on the questionnaires. The respondents were also given the assurance by the researcher that their responses would be kept private and utilized solely for study. Finally, the research instrument was administered during their free time to avoid disruption of working hours.

CHAPTER FOUR

DATA ANALYSIS, RESULTS, DISCUSSION AND INTERPRETATION

4.1 Introduction

The research's findings are provided in this chapter. The study findings were analyzed both descriptively and inferentially. The results are provided in light of the findings using the objectives of the study.

4.1.1 Response Rate

The outcome of the response and non-response rates of the respondents drawn from the Mission Hospitals is shown in Table 4.1 with the aim to smoothly establish and depict the rate of response from the respondents.

Table 4.1: Response Rate

Rates	Frequency	Percent
Response	240	78.4%
Non-Response	64	21.6%
Total	**306**	**100**

Source: Survey Data (2022)

Response and non-response rates for the study were, respectively, 78.4% and 21.6 percent. To achieve a good rate of response, Schindler and Cooper (2009) postulated that a threshold exceeding 50% suffices for survey research. With regard to that, the study's findings showed a 76.6 percent response rate, which is elevated and enough in carrying out the analysis.

4.2 Demographic Information

This part, shows the demographic data of the sample size that responded. The study made use of the respondents' gender, length of service, educational background, professional experience, and employment.

4.2.1 Gender of the Respondents

This section provided the gender distribution of the respondents. Table 4.3 and Figure 4.1 shows the number and percentage of male and female responders in the study area.

Table 4.3: Gender Distribution of the Respondents

Gender	Frequency	Percentage
Male	75	31.3
Female	165	68.8
Total	**240**	**100**

Source: Survey Data (2022)

Having considered the distribution of the respondents' gender in Table 4.3, the distribution was further shown in Figure 4.1

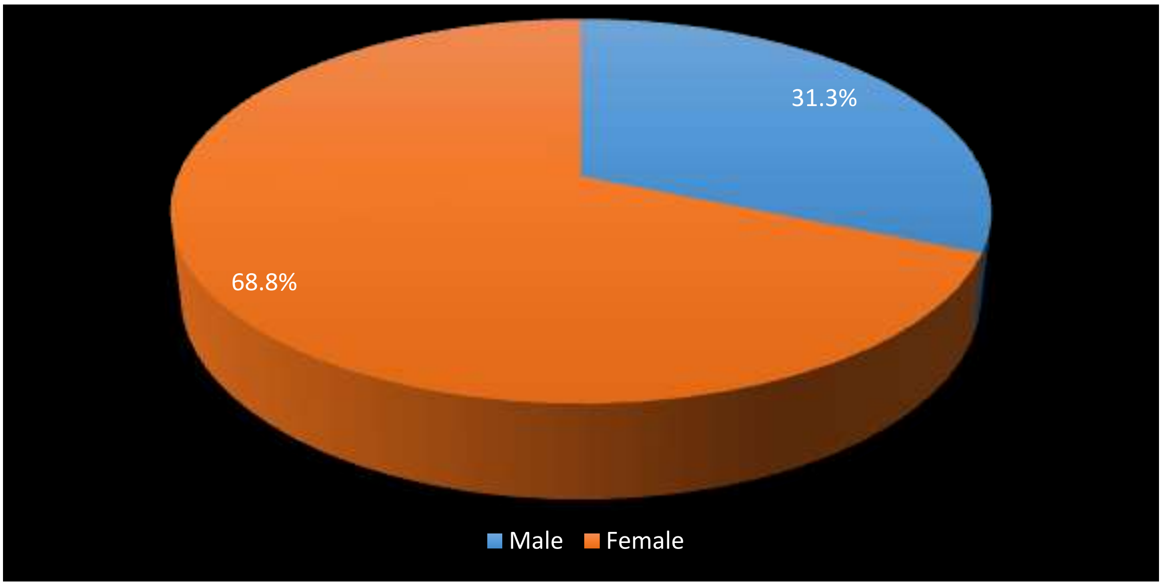


Figure 4.1: Gender of the Respondents
Source: Survey Data (2022)

The distribution of the respondents based on gender in Table 4.3 and Figure 4.1 showed indicates a representation of both genders in the sample, with male respondents constituting 31.3% and females 68.8% respectively which is in accordance with the 1/3 gender rule. The predominance of female respondents in the study area could be attributed to the number of nurses which is an occupation preferred by the female people in the study area. However, it could also be attributed to the interest of females thereby placing female at an advantageous position in the Mission Hospital in Nairobi City County, Kenya.

4.2.2 Level of Educational Qualification

Information on the respondents' educational background was gathered at the Mission hospital in Nairobi City County to determine the respondents' level of education. Based on this, the educational background of the respondents was shown in Table 4.4.

Table 4.4: Respondents Educational Distribution

Educational Qualification	Frequency	Percentage
Diploma	44	18.2
Degree	122	50.9
Post Graduate	49	20.6
Others	25	10.3
Total	**240**	**100**

Source: Survey Data (2022)

Table 4.4 represents the distribution of the respondents per their level of qualification and education. The result showed that 44 (18.2%) of the respondents had diploma qualification, 122 (50.9%) had degree certification, 49 (20.6%) had post graduate certification, while only 25 (10.3%) of the respondents had other form of educational qualification notably professional certificates in their various fields of expertise. This result indicated one form of qualification or the other thus implying that there is sufficient knowledge on the type of duty performed at mission hospital.

4.2.3 Work Experience

To properly gather data on the study’s specific objectives, the respondents' distribution of work experience was also recorded. The data obtained and analyzed is presented in Table 4.5.

Table 4.5: Work Experience of the Respondent

Years	Frequency	Percentage
0 – 5	13	5.3
6 – 10	16	6.7
11 – 15	31	12.8
16 – 20	94	39.3
21 – 30	84	35.1
Total	**240**	**100**

Source: Survey Data (2022)

Table 4.5 shows the work experience of the respondents in the mission hospital. The result of the research showed that out of the total respondents, 13 (5.3%) had worked in the mission hospital for between 0 and 10 years, 16 (6.7%) had work experience between 6 and 10 years, while 31 (12.8%) had worked for between 11 and 15 years. In addition, 94 (39.3%) of the staff had worked for between 16 and 20 years whereas 84 (35.1%) of the respondents had spent between 21 and 30 years working for the mission hospital. The findings showed that all the sample size that responded had worked for a while in the mission hospital thereby providing them with adequate knowledge about the hospital performance in Nairobi City County of Kenya. The respondents' years of experience showed a good sense of judgement on the performance of the mission hospital as it pertains to corporate governance methods.

4.2.4 Duration of Service at the Hospital

Information was also collected from the sampled respondents from the Mission Hospital in Nairobi City County, Kenya based on their duration of service. According on the respondents' length of service at the Mission Hospital, Table 4.6 displays their responses.

Table 4.6: Duration of Service at the Hospital

Years	Frequency	Percentage
1- 5	78	32.7
6 – 10	96	40.1
Above 10 years	66	27.2
Total	**240**	**100**

Source: Survey Data (2022)

The distribution of the sample size that responded according to the length of service at the Mission Hospital in Nairobi City County, Kenya, is displayed in Table 4.6. As a consequence of the study, it was discovered that 78 (32.7%) had a duration of service in the hospital between 1 to 5 years, 96 (40.1%) had a duration of 6 to 10 years in the hospital while 66 (27.2%) had a duration of over 10 years in the hospital. The result showed that a good number of the sample size that responded had experience based on the duration of service depicting an appreciable years of performance knowledge in the Mission hospital in Nairobi City County, Kenya. Therefore, majority of the respondents have spent reasonable years in the Mission hospital which provides appreciable information about the performance of the Mission Hospitals.

4.2.5 Occupational Distribution of the Respondents

The study also captures the distribution of the respondents based on their occupation in this segment. The percentage distribution of mission hospital respondents was documented in Table 4.7 and Figure 4.2.

Table 4.7: Occupational Distribution of the Respondents

Respondents	Frequency	Percentage
Doctors	55	23.0
Nurses	89	37.0
Clerks	38	16.0
Technicians	58	24.0
Total	**240**	**100**

Source: Survey Data (2022)

Figure 4.2 below further illustrates the distribution of responders by area of specialization.

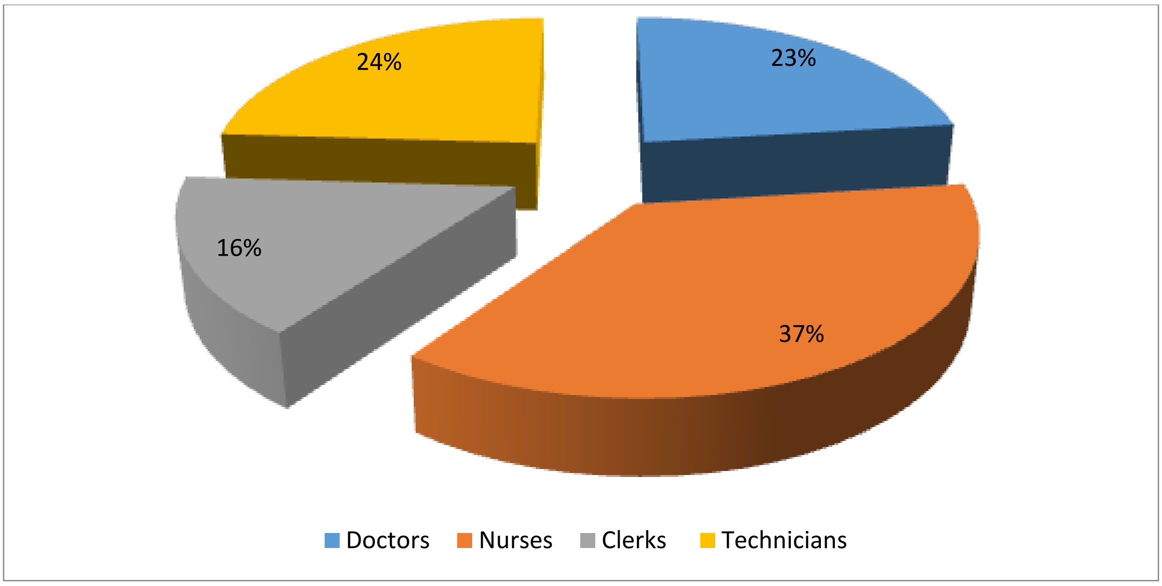


Figure 4.2: The Respondents' Occupational Distribution

Source: Survey Data (2022)

Table 4.7 and Figure 4.2 represent the occupational distribution of the respondents at mission hospital. Based on Figure 4.2, it was observed that Doctors constituted 23% of the respondents at the mission hospital while Nurses constituted 37% of the total respondents in the mission hospital. Furthermore, it was observed that clerks and technicians in the mission hospital comprised 16% and 24%of the study respondents respectively. This suggests that the mission hospital is composed of different occupational distribution based on the area of expertise. High number of nurses and other occupation aside doctors in the mission hospital could be attributed to the intensity of doctors training which discourages many people from engaging in such rigorous training as training of nurses takes lesser time period than that of doctors.

4.3 Descriptive Analysis

The study variables were descriptively analyzed and reported in this section of the chapter. In succession, each variable of the study was descriptively presented in the sub-sections. Five Likert scaled structured questionnaire (Strongly Disagree=1, Disagree=2, Neutral=3, Agree=4 and Strongly Agree=5) was utilized to appraise the strength of the respondents' claims in relation to the questions on the questionnaire. Standard deviation and the composite mean were utilized to make the decision whether to accept or reject the research variable in contrast to prior findings on the study subject, mean and standard deviation were utilized to determine whether the claim should be accepted or rejected.

4.3.1 Size of the Board

Descriptive statistics on size of the board was presented in this segment. Questions with respect to the number, portion of board involved in decision making and the board suitability was captured. The responses of the respondents are contained therein.

Table 4.8: How many members does your board have?

Number	Frequency	Percentage
5 and below	7	2.9
5 – 10	229	95.4
10 – 15	4	1.7
Total	**240**	**100**

Source: Survey Data (2022)

From Table 4.8, it was realized that 2.9% of the respondents noted that the board members constituted 5 and below, 95.4% of the total respondents acknowledged that the mission hospital had board members of between 5and 10 members while only 1.7% of the respondents observed that the hospital had between 10 and 15 members. Derived from this, a good number of the respondents stated that the hospital board members ranged between 5 and 10 members. In the same breath, the response of the respondents with respect to the portion of board members that take part in decision making was captured and the findings are presented in Table 4.9.

Table 4.9: What portion of the board members is involved in decision making?

Number	Frequency	Percentage
All of them	215	89.7
½of them	12	5.0
¼of them	10	4.0
Chairperson and secretary	3	1.3
Total	**240**	**100**

Source: Survey Data (2022)

Table 4.9 revealed that 89.7% of the respondents claimed that all the board members are involved in decision making in mission hospital. 5% of the respondents claimed that only half (1/2) of the board members formed the portion of those involved in decision making in the mission hospital. Another portion (4%) of the respondents observed that only ¼ of the board portion is involved in decision making in the mission hospital while an infinitesimal percentage (1.3%) of the respondents are involved in decision making in the mission hospital. Therefore, majority of the respondents noted that all hospital Members of the board participate in the process of reaching a decision in the study area. The study's findings about whether the board size is appropriate for the hospital's demands and capacity are shown in Table 4.10 and Figure 4.3. The outcome of the enquiry is presented as:

Table 4.10: Size of the board

Response	**Frequency**	**Percentage**
Yes	207	86.4
No	33	13.6
Total	**240**	**100**

Source: Survey Data (2022)

The outcome of the board suitable was also presented on Figure 4.3

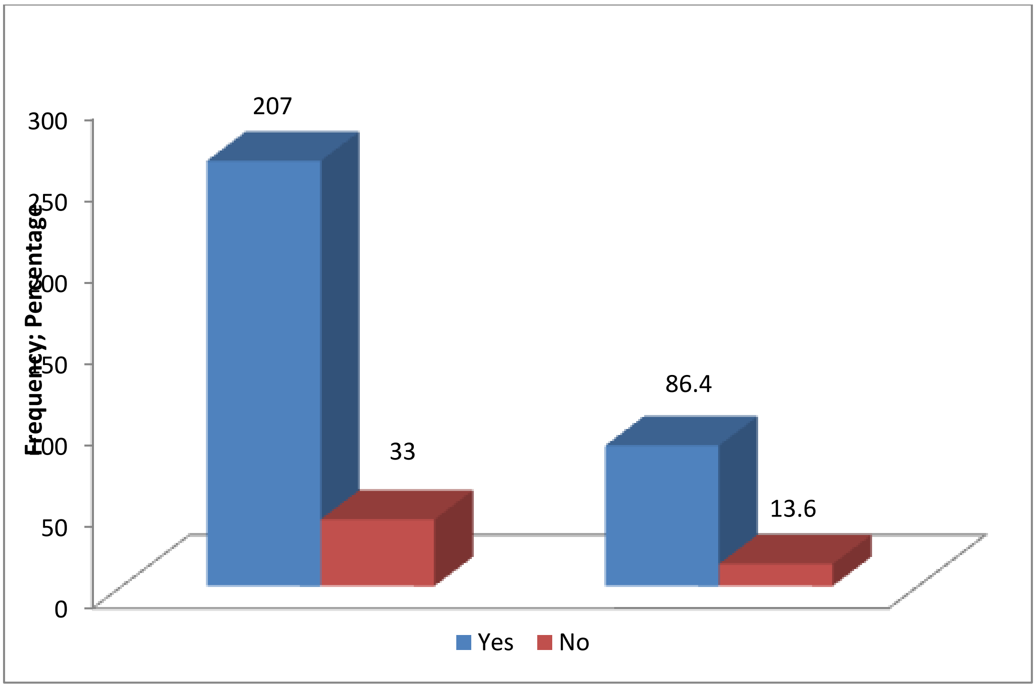


Figure 4.3: Board size in relation to hospital's capabilities and needs

Source: Survey Data (2022)

According to Table 4.10 and Figure 4.3, 207 respondents (86.4%) agreed that the board's size is appropriate for the hospital's requirements and capabilities, while 33 respondents (13.6%) disagreed. The majority of responders agreed that the board's size is appropriate given the mission hospital's requirements and capabilities. For evaluating the descriptive result shown in Table 4.11, means and standard deviations were preferred.

Table 4.11: Descriptive Statistics on Size of the Board

Statement	N	Percentage					Mean	Std. Deviation
		5	4	3	2	1		
Effective boards	240	17.5	7.5	20	22.5	32.5	3.9286	.6556
Board size and agency problem	240	5	7.5	32.5	25	30	4.8327	.8257
Board size and decision making	240	10	17.5	5	47.5	20	3.9281	.6814
Board size consensus on rational decision	240	12.5	15	5	27.5	40	3.7281	.7850
Aggregate Score	**240**						**4.1044**	**0.7369**

Source: Survey Data (2022)

The respondents' average mean of 3.9286 and associated standard deviation of 0.6556 demonstrate that they have tiny yet effective boards. The result also indicated an average mean and standard deviation of 4.8327 and 0.8257 implying that the respondents agreed to the fact that small manageable board size eliminates agency problem in the mission hospital. With respect to whether the respondents think the size of your board affects the rate of decision making in the mission hospital, such claim was agreed by the respondents as demonstrated by an average mean and standard deviation of 4.8327 and 0.8257. The mean and standard deviation, 3.7281 and 0.7850, respectively, suggest that the respondents agreed that they made rational decisions since small boards can reach consensus more quickly. Based on the composite mean average of 4.1044 and corresponding value 0.7369, the respondents agreed that the number of members that make up the board plays a significant role in the performance of the mission hospital in Nairobi City County, Kenya.

The responses that were given were consistent with that of Prybil (2018) who noted that hospital boards that were large in size and had both experienced and respected people making up part of their board, recorded much greater profits compared to their counter parts.

Omilly (2004) reported that limiting size of the board to a small number would have a positive effect on how an organization performs financially as the advantages accrued from use of larger boards like increased monitoring are outweighed by the demerits like poor communication and long decision-making process. Kamonjo (2006), concluded that when the board size increases its' coordination becomes difficult and also, they take longer periods to solve strategic problems of a firm. Mutuota (2011) also reported that small board size affects positively the manner in which a firm performance financially. As much as these studies agree with the findings of this research, they did not target the general performance of mission hospitals.

4.3.2 Board Independence

With respect to board independence, the descriptive evaluation was carried out in the segment of the study Prior to the descriptive statistics, questions regarding the CEO's tenure and frequency of appointment were posed, and the findings are demonstrated in Table 4.12 below.

Table 4.12: How long is the C.E.O tenure in your hospital?

Years	Frequency	Percentage
1 – 5 years	162	67.7
6 – 10 years	49	20.3
Above 10 years	29	12.0
Total	**240**	**100**

Source: Survey Data (2022)

It was observed that 67.7% of the respondents noted that the chief executive officer (C.E.O) tenure last for as long as 1 to 5 years with 20.3% of the total respondents acknowledging that the mission hospital C.E.O only lasted for between 6 to 10 years while only 12% of the respondents observed that the mission hospital C.E.O last for as long as above 10 years. Based on the response of the respondents, it was observed that majority noted that the C.E.O tenure is between 1 and 5 years in the mission hospital. Similarly, the response of the respondents with respect to how often the new board is appointed was documented in Table 4.13.

Table 4.13: How often is a new board appointed?

Years	Frequency	Percentage
1 – 5 years	184	76.5
6 – 10 years	33	13.6
Above 10 years	24	9.9
Total	**240**	**100**

Source: Survey Data (2022)

76.5% of the respondents as captured in Table 4.13 claimed that the new board appointment comes between 1 to 5 years while 13.6% of the respondents claimed that the new board appointment comes between 6 to 10 years. Additionally, 9.9% of the respondents observed that the new board appointment comes after 10 years at the mission hospital. Thus, majority of the respondents acknowledged that hospital at mission hospital, appointment of the new board comes between 1 to 5 years. Descriptive information on board independence is illustrated in Table 4.14.

Table 4.14: Descriptive Statistics on Board Independence

Statement	N	Percentage					Mean	Std. Deviation
		5	4	3	2	1		
Involvement in conflicting situations	240	12.5	7.5	12.5	30	37.5	3.7879	.8832
Internal auditing in fraud detection and prevention	240	7.5	17.5	17.5	27.5	30	4.5641	.6750
Protection of shareholders interest	240	15	15	5	42.5	22.5	3.5789	.8437
Board persistence in operations monitoring	240	12.5	15	25	17.5	30	4.5401	.7766
Merit appointments of board	240	12.5	5	35	10	37.5	4.4131	.7988
Involvement of external auditor in operations evaluation	240	15	12.5	12.5	30	30	3.7829	.7565
Average Score	**240**						**4.1111**	**0.7889**

Source: Survey Data (2022)

Board independence responses were reported in Table 4.14. The outcomes demonstrated that non-executive directors are not involved in any conflicting situations with the management as agreed by the vast majority of responses. A mean and standard deviation value of 3.7879 and 0.8832 confirmed this. The statement that internal auditing is excellent at detecting and preventing fraud was agreed upon by the interviewees as shown by the average mean and standard deviation value of 4.5641 and 0.6750 respectively. The interviewees agreed that in place of shareholders, the directors keep a close eye on management and protects their interests as affirmed by 3.5789 and 0.8437 values of mean average and standard deviation. In addition, the hospitals have a board audit that continuously examines the activities of the board as indicated through the mean value of 4.5401 and standard deviation of 0.7766. Additionally, the employees that responded concurred that the study area's 4.4131 mean value and 0.7988 standard deviation showed that appointments by the boards are made on merit while it was also agreed that the hospital engages an external auditor to evaluate the operations of the hospital as captured by the values of mean and standard deviation 3.7829 and 0.7565 respectively. A compound mean keep count of 4.1111 with a standard deviation of 0.7889 which advanced the respondents conformity in their reactions to the statement on board independence and mission hospital performance in Nairobi City County, Kenya.

The study is consistent with Bingo (2010), who observes that the success of the board does not mean the chairperson and the secretary making decision on behalf of members but all members must be consulted when decision are being made. As much as this study agree with the findings of this research, it did not target the general performance of mission hospitals.

A report by the (NCCK) National Council for Churches in Kenya (2014) highlighted that the board functionality is dependent on its independence in duty performance. Therefore, interference by the church leaders or stakeholders may hinder the good performance of the board.

4.3.3 Accountability System

Information was collected on the accountability system of mission hospital and was analyzed descriptively. The accountability system result was reported in Table 4.15.

Table 4.15: Descriptive Statistics on Accountability System

Statement	N	Percentage					Mean	Std. Deviation
		5	4	3	2	1		
Accountability arrangements and outcomes	240	10	20	5	40	25	4.6843	.7976
Frequent auditing	240	7.5	10	2.5	50	30	3.7650	.8657
Restriction of power and privilege abuse	240	2.5	20	10	42.5	25	3.7832	.7734
Mechanisms exists for misbehavior	240	12.5	10	12.5	35	30	4.6956	.8918
Performance feedback	240	12.5	17.5	2.5	32.5	35	3.5930	.7255
Board involvement in frequently reviews in capital budgets, strategic plans	240	30	7.5	5	32.5	25	3.6420	.6429
Open exchange of performance related information	240	30	12.5	15	30	12.5	3.7331	.8754
Aggregate Score	**240**						**3.9852**	**0.7960**

Source: Survey Data (2022)

There was a strong agreement with respect to the statement that accountability arrangements present in your organization stimulate a focus on desired outcomes as exposed by mean of 4.6843 and standard deviation of 0.7976. With respect to whether the hospital undergoes frequent auditing, the respondents concurred to the statement and the mean and standard deviation, which are 3.7650 and 0.8657 respectively, show this. With regard to whether the accountability arrangements available in your organization restrict abuse of power and privileges, the respondents agreed as exposed by 3.7832 and 0.7734 mean average and standard deviation. The mechanisms exist in the hospital that could prevent misbehavior was agreed by the respondents at mission hospital as indicated by the average figure of 4.6956 and standard deviation of 0.8918.

In view of the statement that the board frequently reviews the capital budgets and strategic plans and regularly monitors progress throughout the year, the interviewees agreed strongly as illustrated by 3.6420 mean value and standard deviation of 0.6429. More so, it was indicated that the respondents agreed that accountability arrangements available in your organization facilitate open exchange of performance related information as shown by the average of 3.7331 and the standard deviation of 0.8754. The interviewees compositely are in harmony with the various statements on accountability system at the mission hospital in the study area as illustrated by 3.9852 mean average and 0.7960 standard deviation values.

The study is consistent with Daft (2008) who found that transformational leadership emphasizes that accountability goes hand in hand with good leadership. Steven (2008) indicates, all accountable and transparent board must be guided by this law at all times and if they do not then, unethical practices would be glaring at the firms.

4.3.4 Board Responsiveness

Information on board responsiveness of the mission hospital's respondents was also captured. However, the descriptive analysis of the respondents with respect to board responsiveness was outlined in Table 4.16.

Table 4.16: Descriptive Statistics on Board Responsiveness

Statement	N	Percentage					Mean	Std. Deviation
		5	4	3	2	1		
Meetings duration for adequate idea Exchange	240	5	17.5	5	40	32.5	4.8706	.8459
Timely address of issues	240	30	7.5	7.5	27.5	27.5	3.7958	.8746
Alignment of decisions with situation	240	1	27.5	2	42	27.5	4.1310	.7187
Involvement of employees in decision-making process	240	15	17.5	17.5	22.5	27.5	4.8504	.7851
Factoring of employee's feedback	240	2.5	27.5	15	20	35	3.9785	.7418
Unanimous decision making by board	240	5	10	27.5	37.5	20	4.5614	.7561
Regular meetings	240	7.5	2.5	10	30	50	3.6750	.8567
Aggregate Score	**240**						**4.2661**	**0.7969**

Source: Survey Data (2022)

As shown in Table 4.16, the interviewees concurred that the sessions' duration is sufficient to guarantee a sufficient exchange of concepts. This was shown by4.8706 and 0.8459 mean and standard deviation respectively. Matters arising are addressed on time was agreed upon by a most of the employees that responded denoted by the mean value of 3.7958 and standard deviation of 0.8746. As indicated by a mean value of 4.1310 and standard deviation of 0.7187, the decisions made by the board are aligned with the situation in the hospital as agreed by the respondents. Employees are involved in the process of arriving at decisions as postulated by an average mean score of 4.8504, implying a great degree of agreement from the respondents. Furthermore, the statement that feedback from the employees is factored in by the board during decision making had a standard deviation of 0.7418 and a mean of 3.9785, depicting an appreciable level of agreement from the respondents.

Notably, it was observed that board reaches a unanimous decision during its meetings as affirmed by an average and standard deviation values of 4.5614 and 0.7561. Meetings are held on a regular basis, depending on the needs of the hospital was affirmed by the position of the sample size that responded. The validity of the respondents' position was further noted by the mean and standard deviation values of 3.6750 and 0.8567 respectively. Confirmation of respondents' responses to board responsiveness was further demonstrated by the composite mean value of 4.2661.

The study result with respect to board responsiveness aligned with the view of Steves (2008) who stipulates that where there is no responsiveness in any hospital there can be waste of time on the part of the staff. Millie (2015) points out those board policies must be brought out in good time for implementation for as they say, justice delayed is justice denied.

4.3.5 Financial Performance

Descriptive statistics was conducted with regard to financial performance of mission hospital. This performance was divided into revenue growth and operational efficiency of mission hospital. Table 4.17 reported the outcome of the analysis as it pertains to growth in revenue of mission hospital.

Table 4.17: Descriptive Statistics on Growth in Revenue

Year	Less than 2.5%	Between 3.1% to 6%	Between 6.1% to 9%	Between 9.1% to 12%	Above 12.1%
2021	29 (11.9%)	50 (20.9%)	42 (17.5%)	101 (42.1%)	18 (7.6%)
2020	33 (13.9%)	18 (7.6%)	117 (48.7%)	29 (11.9%)	43 (17.9%)
2019	33 (13.6%)	107 (44.4%)	41 (17.2%)	51 (21.2%)	9 (3.9%)

Source: Survey Data (2022)

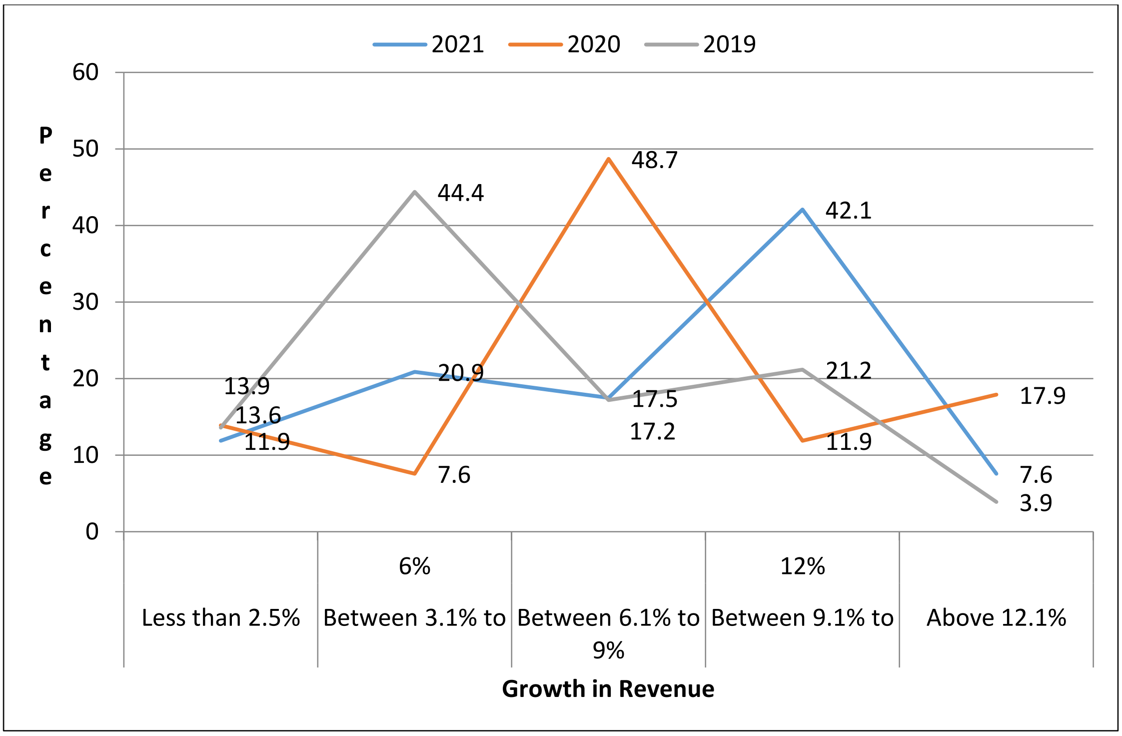


Figure 4.4: Trend of revenue growth (2019-2021)

Source: Survey Data (2022)

Table 4.17 and Figure 4.4 above indicated that 11.9% of the responders observed that mission hospital witnessed a revenue growth of less than 2.5%, 20.9% of the respondents at the mission hospital noted that the hospital realized a revenue growth of between 3.1% and 6% in the year 2021. 17.5% of the respondents also observed that the hospital realized a growth in revenue of between 6.1% and 12% with 42.1% of the respondents noting that mission hospital realized a revenue growth of between 9.1% and 12% while only 7.6% of the respondents were of the opinion that mission hospital realized a revenue growth of above 12.1% in the year 2021.

Table 4.17 and Figure 4.4 further revealed that for the year 2020, mission hospital realized less than 2.5% revenue growth as identified by 13.9% of the respondents while 7.6% of the respondents suggested that the mission hospital realized a growth of between 3.1% and 6%. Additionally, it was recognized that 48.7% of the respondents noted that the mission hospital realized a revenue growth of between 6.1% and 12% with a few of the respondents (11.9%) noted that mission hospital realized a growth in revenue of between 9.1% and 12% while 17.9% of the respondents were of the view that the mission hospital realized a revenue growth of above 12.1% in the year 2020.

Revenue growth at mission hospital for the year 2019 witnessed a growth in revenue of less than 2.5% as observed by 13.6% of the respondents. Out of the employees that responded 44.4% acknowledged that the mission hospital realized a revenue growth of between 3.1% and 6% while 17.2% of the respondents observed that the mission hospital observed a growth in revenue of between 6.1% and 12%. More so, it was realized that 21.2% of the respondents responded that mission hospital realized a revenue growth of between 9.1% and 12% while only 3.9% of the respondents observed that the mission hospital realized a revenue growth of above 12.1% for the year 2019. The result showed that as the years goes by, majority of the respondents get to know the revenue growth of the mission hospital as indicated in Table 4.17. Correspondingly, the response of the respondents with regards to operational efficiency was reported in Table 4.18.

Table 4.18: Descriptive Statistics on Operational Efficiency

Statement	**N**	**Percentage**					**Mean**	**Std. Deviation**
		5	4	3	2	1		
Frequent consultation of employees in decision implementation	240	10	12.5	10	37.5	30	4.5624	.9583
Negative effect of tendering process	240	12.5	12.5	15	32.5	27.5	3.8271	.6641
Favorable time in LPOs and LSOs processing	240	7.5	7.5	25	27.5	32.5	3.8924	.6177
High number of employees leaving the hospital	240	10	20	10	20	40	4.7027	.8259
Aggregate Score	**240**						**4.2462**	**0.7665**

Source: Survey Data (2022)

According to Table 4.18, many interviewees concur that employees are frequently consulted during the implementation stage as shown by the mean value of 4.5624 and standard deviation of

0.9583. With regard to whether the tendering process takes too long such that the hospital operations are negatively affected, the respondents' consent to the statement as portrayed by the mean and standard deviation of 3.8271 and 0.6641 respectively. The mean and standard deviation of 3.8924 and 0.6177 demonstrated the respondents' agreement to whether the time taken to process LPOs and LSOs is favorable. Furthermore, the respondents ascertained that the number of employees leaving the hospital is quite high as illustrated by the average mean and standard deviation of 4.7027 and 0. 8259. In addition, a compound mean of 4.2462designated the interviewees' response with regard to financial performance of mission hospital.

4.4. Inferential Analysis

To derive conclusions on the study problem, inferential statistics were used in conjunction with multiple regression frameworks. The assessment was carried out in accordance with the specified purpose and study research question.

4.4.4. Correlation Analysis

The results of the correlation analysis are presented in this portion of the study. As a result, Table 4.19 summarizes the study's findings.

Table 4.19 Correlation Results

Variable		Mean	Performance	Board Size	Board Independence	Accountability System	Board Responsiveness
Performance	Pearson Correlation	1.8876	1				
	Sig. (2-tailed)						
Board Size	Pearson Correlation	1.8868	0.2523*	1			
	Sig. (2-tailed)		0.0000				
Board Independence	Pearson Correlation	1.7183	0.0604	0.1762*	1		
	Sig. (2-tailed)		0.2258	0.0023			
Accountability System	Pearson Correlation	2.5398	0.3752*	-0.0604	-0.0324	1	
	Sig. (2-tailed)		0.0000	0.2345	0.5241		

Board Responsiveness	Pearson Correlation	2.5087	0.3108*	-0.0630	0.0255	0.7523*	1
	Sig. (2-tailed)		0.0625	0.2332	0.5352	0.0000	

* Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Data (2022)

The correlation analysis of the elements utilized in the study was shown in Table 4.19. The study's conclusions showed that the rate to which mission hospitals are effective and efficient is positively and significantly correlated with the board size. Board independence possesses positive but insignificant correlation with mission hospital's performance. Furthermore, accountability system has positive and significant correlation with mission hospital's performance in Nairobi City County, Kenya while board responsiveness possesses a positive and insignificant correlation with mission hospital's performance. Based on the results of the research, it is safe to conclude that there is insufficient statistical evidence that board independence and responsiveness is not effective in all the mission hospitals as only few relied on such for their optimum performance.

4.4.5. Model Summary

Table 4.20shows the model summary, including the R square and Adjusted R square.

Table 4.20: Model Summary

Model	R	R Square	Adjusted R Square
1	.786[a]	.672	.545

Source: Survey Data (2022)

The R squared of value of 0.786 suggests a relevant positive association between corporate governance practices and Mission Hospital's performance in Nairobi City County, Kenya. All indicators of corporate governance (board size, board independence, accountability system, and board responsiveness) measured accounted for 67.2 percent variation in the performance of mission hospital, according to the R-square of 0.672. This suggests that the explanatory variables account for 67.2 percent of the drift in mission hospital performance in Nairobi City County. This outcome was further affirmed by the value of Adjusted-R of 0.545, indicating that, after adjustment to degree of freedom, corporate governance practices accounted for 54.5% changes in the performance of mission hospital. Therefore, the model is unable to take into consideration 32.8 percent of the variation in mission hospital performance. Thus, the disturbance term is the primary cause for 32.8 percent of the variation in the performance of hospital performance.

4.4.6. Analysis of Variance (ANOVA)

Analysis of variance was performed to establish the importance of the complete model, and the findings are presented in Table 4.21.

Table 4.21 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.146	4	1.536	18.124	.000[b]
	Residual	22.652	235	.096		
	Total	28.893	239			

Source: Survey Data (2022)

Table 4.21 displays the findings of the variance analysis. The explanatory variables' combined substantial impact on the dependent variable is indicated by the F value. The F statistical value was found to be 18.124. Table 4.21 shows that the F value was statistically significant (p=0.000) at the 5-percent level of significance and the 95-percent confidence level. This suggests that corporate governance practices (board size, board independence, accountability system, and board responsiveness) have a notable positive effect on how mission hospitals perform. This suggests that all of the explanatory elements have a joint material effect on the mission hospital's performance in Nairobi City County, Kenya.

4.4.4. Regression Coefficients

To evaluate the marginal impact of the independent factors on the dependent variable, the study used multiple regression analysis. Table 4.22 shows the results of the regression analysis.

Table 4.22: Regression Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.01	.174		11.55	.000
	Board Size	.211	.053	.204	3.98	.000
	Board Independence	.020	.038	.023	0.53	.524
	Accountability System	.123	.032	.245	3.84	.001
	Board Responsiveness	.125	.065	.120	1.92	.064

Source: Survey Data (2022)

$$Y = 2.01 + 0.211X1 + 0.020X2 + 0.123X3 + 0.125X4 + \varepsilon$$

Where:

Y = Performance

X1 = Board Size

X2 = Board Independence

X3 = Accountability System

X4 = Board Responsiveness

4.5 Interpretation of Findings

As illustrated in Table 4.22, the outcome demonstrated how each explanatory factor affected the operation of the mission hospital in Nairobi City County. Each explanatory variable's contribution to the dependent variable was represented by its standardized beta values. Given the probability value of 0.000, the coefficient of the constant is 2.01, which is statistically significant. This suggests that even without the various corporate governance measures proxies utilized in the study, the performance of the mission hospital in the study location is positive.

4.5.1 Effect of Board Size

According to the findings, board size has a positive ($\beta = 0.204$) and statistically significant (ρ-value = 0.000) effect on mission hospital performance in Nairobi City County. This was in line with prior expectations of a position effect, meaning that a 1percentage rise in the board members would lead to a 0.204percent enhancement on the performance of mission hospital. The outcome would be attributed to the vast number of board members which enables each member of the board to contribute immensely in ideas that facilitate the mission hospitals' operations in the study location. Different board members have different wealth of experience which allows for creative and innovative ideas in the running of the hospital's affairs and thus, improving the performance of the mission hospital. However, the study is consistent with that of Danoshana and Ravivathani (2013) who indicated that the board size and how frequently that the board meetings take place, have a material effect on an organization's profitability. The study of Coles et al. (2008) established that there is a favorable association between board size and firm performance.

However, the study is inconsistent with the study of Cheema and Din (2013) that discovered that board size has a material negative impact on a company's financial performance. Stephen and Olatunji (2011), in his study, found a negative link between non-executive members and profitability. The diverse organizations in which the research were done and the locations of the investigations could be blamed for the variations in the findings of the study.

4.5.2 Effect of Board Independence

Board independence had a positive (β=0.023) but statistically insignificant (ρ-value = 0.001) effect on mission hospital performance in Nairobi City County. This is also in line with a priori expectations, meaning that a 1 percentage increase in board independence would result in a 0.023 percent improvement in mission hospital performance. The probability digit of 0.524 is used to evaluate this. Although board independence has a positive influence on the performance of the hospital, it remains insignificant. This can be attributed to the small degree of independence which the board of the hospital enjoys as they are not fully independent of those who appointed them in the such position hence, their contribution to the development of the hospital performance remains a mere paper document. The study is consistent with Sanda (2011), who conducted descriptive study on board independence and financial performance in Nigeria, the degree at which the board is free from influence has a considerable favorable effect on a firm's financial performance. Additionally, Rashid Afzalur (2018) pointed out that board independence and an organizations' economic performance have a positive influence on each other.

4.5.3 Effect of Accountability System

The accountability system had a positive (β=0.245) and significant (ρ-value = 0.001) effect on the mission hospital's performance. The statistic is consistent with a prior expectation, implying that a 1 percent improvement in accountability would improve mission hospital performance by 0.245 percent. The probability figure of 0.001 reveals the appraisal of the positive and significant effect. The study's findings could be explained by the introduction of technology systems by the mission hospital which enhances the deliverability of the hospital finances. Also, stiff measures taken to ensure financial accountability of the system have ensured that all the recorded transactions of the mission hospital are documented in the right manner. The study is consistent with Rashid Afzalur (2018) who found that there is a material association between accountability systems and firm's rate of success. Miring'u (2009) discovered that political composition and the competence of the board to account for each of their choices affect the financial performance of local authorities. Nyakundi (2014) noted that control systems used internally have a major impact on how small and medium-sized businesses does financially.

Lasuli et al. (2017) and Bruce (2011) shows that accountability and performance have a negative performance. The deviation in the outcomes of the studies demonstrated the uniqueness of different environmental factors which affects the accountability system of every institution's performance. More so, the accountability ethics associated with such environment could also affect the profitability of the organization in question.

4.5.4 Effect of Board Responsiveness

The study's findings suggested that board responsiveness has a positive (β=0.120) and statistically insignificant (ρ-value = 0.064) effect on mission hospital performance in Nairobi City County. This is confirmatory with a prior anticipation that a 1 percent increase in board responsiveness would result in a 0.120 percent rise in mission hospital performance. The likelihood figure of 0.064 further confirms this. The outcome of the study could be attributed to the delay in the response of the board to emergency issues which slows down decision making process of the hospital thereby affecting the smooth performance of the hospital in the location of the study. The study shares opinion with Oluoch (2015) in his study on leadership and procurement procedures admits that the efforts of the board to make decisions effectively, affects all hospital areas positively like stores management can avoid over and under stocking of material, protect the materials from loses and damages and also can minimize the storage cost and maintain systematic records.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this section, the study's findings, conclusions, and actionable advice are offered together with suggestions for future research. In respect to the precise goals and research questions stated in the study, the section also summarizes the results. The purpose of the study was to determine the relationship between corporate governance practices and the performance of mission hospitals in Nairobi City County, Kenya, with a particular emphasis on the board's size, independence, accountability framework, and responsiveness.

5.2 Summary of Findings

5.2.1 Board Size

The study sought to establish how Corporate Governance techniques affected the functioning of Nairobi City County's Mission Hospital. The study's main agenda was to determine the effect of board size, the freedom of the board from influence, accountability systems put in place in the hospitals, and board responsiveness on the performance of Mission Hospitals in Nairobi City County. The study considered 15 Mission Hospitals in Nairobi City County and made use of Agency Theory and the Balance Score Card Model. In order to establish the association, descriptive and inferential statistics were employed. The outcomes of every single objective were determined after doing a multiple regression.

5.2.2 Board Independence

In light of the study’s second objective correlation outcome showed that board size had positive relationship with performance at mission hospital. The multiple linear regression outcomes asserted a positive and significant effect between the board size and how the mission hospitals were performing in Nairobi County, Kenya. Therefore, when the board size goes up, the performance of mission hospitals is improved.

With respect to board independence, the result of correlation analysis depicted a positive relation with the performance of mission hospitals in Nairobi County, Kenya. Although statistically insignificant, through the regression result, the board independence was seen to have a positive effect on the performance of mission hospitals in Nairobi County, Kenya. Thus, increasing performance of Nairobi County's mission hospital is as a result of the independence of the board.

5.2.3 Accountability System

Accountability system was positive in relation to the performance of mission hospitals as demonstrated by the correlation outcomes. The linear regression proved that accountability system was significantly positive as it affected the performance of mission hospitals in Nairobi County in Kenya. Therefore, any effort to strengthen the accountability system would result in improved mission hospital performance in Nairobi County, Kenya.

5.2.4 Board Responsiveness

Board responsiveness, with accordance with the correlation finding, was seen to have a material positive association with how the mission hospitals in Nairobi County are performing. According to the regression study, the board's responsiveness lacks a statistically material effect on how the mission hospitals in Nairobi County, Kenya are performing. This demonstrates how board responsiveness may lead to an improvement in the operations of mission hospitals in Nairobi County.

5.3 Conclusion

According to the findings, corporate governance approaches such as board size, board independence, accountability system, and board responsiveness have a good relationship with mission Hospital's performance in Nairobi City County. In terms of the first main agenda, the study found that board size was a key consideration of mission Hospital's performance in Nairobi City. This indicates that the size of the board enhances the decision making of the mission hospital and hence its optimum performance.

In light of the study's second objective, it was discovered that board independence had no bearing on mission Hospital's performance in Nairobi City County. Therefore, it was established that board's independence does not directly affect the mission hospitals' performance in Nairobi City County.

As a result of this, the conclusion was that interference with the board's decision-making discourages the board's efforts, which has an impact on the operation of the mission hospital in the study area.

In addition, the study's third particular objective found that the Nairobi City County mission hospital's performance is significantly impacted by the accountability system. In light of this finding, the study stated that an accountability system is critical in explaining the mission hospital's success in Nairobi City County. The accountability system plays a crucial function in the performance of mission Hospital in Nairobi City County which comes with experience and responsibility of the hospital work environment and conditions. Therefore, it is pertinent to ensure transparency in the dealings of the hospital for efficiency delivery of service.

Finally, in light of the study's fourth specific objective, it was discovered that board responsiveness had no impact on the mission hospital's performance in Nairobi City County. In light of this finding, board responsiveness has no significant effect in determining the Mission Hospital's performance in Nairobi City County. Therefore, all decision that affects the performance of the mission hosp ital needs to be responded to with immediate effect to enhance the performance of the mission hospital.

5.4 Recommendations

A range of policy implications are described in relation to corporate governance practices and how Mission Hospital in Nairobi City County are performing. The results showed that the mission hospital's performance in Nairobi City County was significantly impacted by the size of the directors' board. To improve the degree in which the size of the board is both efficient and effective, mission hospitals should increase the sizes of their boards and also a comprehensive screening procedure should be implemented to ensure that a high degree of expertise is considered when the mission hospital's board is selected. This ensures that the right decisions are being made and appropriate policies are implemented on time and thus improving the hospital's performance.

The study's findings also uncovered that the accountability system had a material impact on the mission hospital's performance in Nairobi City County. As a result, it is advised that the mission hospital's top-level managers tighten existing accountability mechanisms to promote transparency and teamwork and prevent leakages resulting from the hospital's day-to-day operations.

Finally, the study found that board responsiveness had little bearing on the functioning of Nairobi City County's Mission Hospital. As a result, the research suggested that procedures should be employed to guarantee employee participation in decision-making processes and that decisions are reached on time in order to avoid delays in crucial areas in the hospitals that affect the mission hospital's performance.

5.5 Contribution to Knowledge

In various respects, the research was of great contribution to the pool of knowledge. It broadens our understanding of how corporate governance practices affect mission hospital performance. The study found evidence of a link between corporate governance approaches and the functioning of Nairobi City County's mission hospital. The study adds to the development of policy, practice, and a functional mission hospital in Nairobi City County. By elaborating on the functionality of agency theory and the balance scorecard theory, the inquiry also contributes to the performance of mission Hospital in theory.

The findings contribute to knowledge since they effectively tested various research questions on the effect of corporate governance practices on Mission Hospital’s performance. The research also produced an effective empirical model for corporate governance approaches and mission hospital performance in Nairobi City County, as it incorporates variables that significantly and insignificantly influence mission hospital performance.

5.6 Suggestions for Future Research

The study's primary focus was on Corporate Governance Practices and performance of Mission Hospitals in Nairobi City County. The results suggest that additional study be conducted to identify the origin of the insignificant factors influencing mission hospital performance in Nairobi City County. In addition, similar studies should revolve around other counties to establish the effect of corporate governance practices on the general performance and operations of mission hospitals. Finally, research on organizations other than the mission hospital can be done to ascertain the direction of the linkage.

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APPENDICES

APPENDIX I: Distribution of the study population of fifteen mission hospitals

Mission Hospital Name	Number of Employees, target population.	Sample Size	Middle Level Employees	Sample Size
St Mary's Langata	25	5	65	12
PCEA Kikuyu Mission Hospital	14	3	135	25
St Francis Community Hospital	15	3	62	11
Ruaraka Uhai Nehema Hospital	14	3	116	35
Mater Hospital	22	4	198	21
Coptic Hospital	21	4	229	42
AIC Kijabe	12	2	178	32
AIC Cure International Hospital	9	2	136	25
Jamaa Mission Hospital	13	2	97	18
Maria Immaculata Hospital	9	1	81	15
Kalimoni Mission Hospital	4	1	16	3
Nazareth Mission Hospital	7	1	33	6
Mary Hospital of the sick Mission Hospital	7	1	58	11
St. Mulumba Mission Hospital	13	2	59	11
Mission Care Nursing Home	6	1	24	4
Total	191	35	1487	271

APPENDIX II: Introductory Letter

Dear Sir/ Madam

<u>RE: REQUEST TO COLLECT RESEARCH DATA</u>

Greetings, I am Kariuki Berinda C. Mwende, a student at Kenyatta University pursuing a Master's Degree in Business Administration. As part of the requirements for the award of the degree, I am currently undertaking research on Effects of Corporate Governance Practices on Performance of Mission Hospitals in Nairobi City County, Kenya.

As a result, I am asking for your assistance in filling the attached questionnaire that forms significant contribution on the research procedure. Data collected will be treated with utmost confidentiality and will be utilized for academic purposes only. Upon request, a copy of the completed document can be provided to your institution.

Your co-operation will be greatly valued. I am grateful in advance.

Yours faithfully,

Kariuki Berinda.

APPENDIX III: QUESTIONNAIRE

1: To be filled by the Top-Level Managers and Middle Level Managers.

Section 1: General Information.

1. Gender

   Male ( ) Female ( )

2. Duration of service at the Hospital

   1-5 yrs. ( )

   6- 10 yrs. ( )

   Above 10 yrs. ( )

3. Highest education level:

   Diploma ( )

   Degree ( )

   Post graduate ( )

   Other ( )

4. What is your work experience?

   0-5 ( )

   6-10 ( )

   11-15 ( )

   16-20 ( )

   21-30 ( )

5. What’s your occupation?..................................

Section 11: Size of the Board

1. How many members does your board have?

   5 and below ( )

5-10 ( )

	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

10-15 ( )

2. What portion of the board members are involved in decision making?

All of them ( )

A ½ of them ( )

A ¼ of them ( )

Chairperson and secretary ( )

3. (a) Is the size of the board appropriate for your hospital's needs and capabilities??

Yes ( )No ( )

b) What is your suggested size if the response to the question above is "No"? (Specify)

……………………………………………………………………………………………………

……………………………………….

4. Please tick (√) the answer that best matches your opinion in the statements below:

1.	Our boards are small in size but efficient.					
2.	A manageable board size solves the agency issue					
3.	Do you think the size of your board affects the rate of decision making					
4.	Smaller boards that can reach consensus more quickly enable us to make logical judgments.					

Section 111: Board Independence.

1. How long is the C.E.O tenure in your hospital?

    1-5yrs. ( )

    6-10yrs ( )

    Above 10 yrs. ( )

2. How often is a new board appointed?

    1-5yrs. ( )

    6-10yrs ( )

    Above 10 yrs. ( )

3. Kindly tick (√) the box next to the answer that best represents your viewpoint in the following statements:

	Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1.	Non- executive directors are not involved in any conflicting situations with the management					
2.	Internal auditing is excellent at detecting and preventing fraud.					
3.	On behalf of shareholders, the board of directors keeps a close eye on management and protects their interests.					
4.	The hospitals have a board audit that monitors the operations of the board persistently					
5.	Appointments by the boards are based on merit					
6.	The hospital engages an external auditor to evaluate the operations of the hospital					

Section 1V: Accountability Systems

Kindly tick (√) the answer that aligns with your opinion in the statements below:

	Statement	Strongly Disagree	Agree	Neutral	Agree	Strongly Agree
1.	Accountability arrangements present in your organization stimulate a focus on desired outcomes					
2.	The hospital undergoes frequent auditing					
3.	Accountability arrangements available in your organization restrict abuse of power and privileges?					
4.	Mechanisms exists in the hospital that could prevent misbehavior					
5.	Accountability arrangements present in your organization allow dialogue about performance feedback					
6.	The Board frequently reviews the capital budgets and strategic plans and regularly monitors progress throughout the year					
7.	Accountability arrangements available in your organization facilitate open exchange of performance related information					

Section V: Board Responsiveness

Please tick (√) the box next to the answer that best represents your viewpoint in the following statements:

	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	The length of meetings is enough to ensure adequate exchange of ideas					
2.	Matters arising are addressed on time					
3.	Decisions made by the board are aligned with the situation in the hospital					
4.	Employees are involved in the decision-making process					
5.	Feedback from the employees is factored in by the board during decision making.					
6.	Board reaches a unanimous decision during its meetings					
7.	Meetings are held on a regular basis, depending on the needs of your hospital.					

Section VI: Financial Performance

(a) Growth in Revenue

Kindly tick (√) the answer that aligns with your opinion in the statements below;

The growth in revenue as of the stated year is:

	Year	**Less than 2.5%**	**Between 3.1% to 6%**	**Between 6.1% to 9%**	**Between 9.1% to 12%**	**Above 12.1%**
1.	2020					
2.	2019					
3.	2018					

Section VII: Operational Efficiency

Kindly tick (√) the box next to the answer that best represents your viewpoint in the statements:

	Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1.	Employees are frequently consulted during the implementation stage					
2.	The tendering process takes too long such that the hospital operations are negatively affected					
3.	The time taken to process LPOs and LSOs is favorable					
4.	The number of employees leaving the hospital is quite high					