



LJMU Research Online

Ndege, JM, Tenambergen, W and Njoroge, K

The Role of Organizational Culture in Moderating Corporate Governance Practice Influence on Faith-Based Hospitals Performance in Kenya

<http://researchonline.ljmu.ac.uk/id/eprint/24667/>

Article

Citation (please note it is advisable to refer to the publisher's version if you intend to cite from this work)

Ndege, JM, Tenambergen, W and Njoroge, K (2022) The Role of Organizational Culture in Moderating Corporate Governance Practice Influence on Faith-Based Hospitals Performance in Kenya. OALib, 9 (7). pp. 1-17. ISSN 2333-9721

LJMU has developed [LJMU Research Online](#) for users to access the research output of the University more effectively. Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. Users may download and/or print one copy of any article(s) in LJMU Research Online to facilitate their private study or for non-commercial research. You may not engage in further distribution of the material or use it for any profit-making activities or any commercial gain.

The version presented here may differ from the published version or from the version of the record. Please see the repository URL above for details on accessing the published version and note that access may require a subscription.

For more information please contact researchonline@ljmu.ac.uk

<http://researchonline.ljmu.ac.uk/>



The Role of Organizational Culture in Moderating Corporate Governance Practice Influence on Faith-Based Hospitals Performance in Kenya

Josephine Muthoni Ndege*, Wanja Tenambergen, Kezia Njoroge

Department of Health Systems Management, Kenya Methodist University, Nairobi, Kenya

Email: *joendege2000@gmail.com

How to cite this paper: Ndege, J.M., Tenambergen, W. and Njoroge, K. (2022) The Role of Organizational Culture in Moderating Corporate Governance Practice Influence on Faith-Based Hospitals Performance in Kenya. *Open Access Library Journal*, 9: e8992.

<https://doi.org/10.4236/oalib.1108992>

Received: June 13, 2022

Accepted: July 18, 2022

Published: July 21, 2022

Copyright © 2022 by author(s) and Open Access Library Inc.

This work is licensed under the Creative Commons Attribution International

License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

In Kenya, faith-based hospitals provide 40% health care services to the medium and low-income populations in the rural areas. These hospitals are facing sustainability challenges because of poor organizational performance. These failures have been attributed to overlooking the adoption of corporate governance practices where for instance boards of management of health facilities are largely made up of religious officials, therefore making the facilities lack proper corporate culture when compared to their more privately owned health facilities counterparts. It is against this background that this study sought to examine the influence of corporate governance on hospitals overall and the moderating effect of corporate culture on the influence. A hospital based census with mixed data collection method was employed. For quantitative data, questionnaires were used with senior managers of Christian faith-based hospitals Key Informant Interviews with 9 purposively sampled informants: 2 from CHAK secretariat, 2 from KCCB secretariat and 5 board chairpersons of governing boards in purposively selected level 5 faiths based hospital. For quantitative data, descriptive and inferential analysis techniques were used while for qualitative data, content analysis was done. From the regression results, corporate governance practices of board composition, accountability, stewardship of resources and shared strategic direction had significant and positive influences on the performance of faith-based hospitals in Kenya. The study recommends that proprietors ensure that the criteria for choosing their board members are enhanced and improved to ensure there is no bias in the selection process and that boards intentionally and actively involve all stakeholders in the decision-making process of the organization, management should ensure accountability aspects and the related policies are

adhered to, board members should be properly inducted and continuously trained on governance to ensure they execute their mandate effectively.

Subject Areas

Business Management, Management Organization

Keywords

Corporate Governance, Organizational Culture, Organizational Performance, and Faith-Based Hospitals

1. Background of the Study

The church health sector in Africa has been recognized by WHO and the World Bank because of the special efforts they have made in the health sector [1]. In sub-Saharan Africa, they provide 40% of the available healthcare services, of which they rise to as much as 90% in many rural areas [2]. Together with non-governmental organizations (NGOs) and the private sector, they have supplemented the efforts of governments in meeting social needs such as health, sanitation, and education [3].

Despite faith-based efforts in the health sector, they have been confronted with sustainability challenges, especially linked to poor corporate governance arrangements. Moreover, poor corporate governance has been previously linked to the apparent failure of the health care sector in many African countries, as they are characterized by wanting board composition, board accountability, board stewardship of resources, board empowerment, stakeholders' engagement, and shared strategic direction [4]. Consequently, the faith-based organizations and NGOs have not compared well in terms of financial performance due to overlooking the profit motive in the conceptual philosophy of their founding. Therefore, they have been left out of the corporate governance spectrum with much attention having been paid to corporate governance of profit-making organizations, like private health facilities.

With the continued growth of faith-based and NGOs-driven health facilities, and the important roles they play in the developing worlds, let alone in Africa, it becomes very important to examine why they are missing in terms of their operational sustainability in this sector [5]. Hence, these not-for-profit health facilities have been subjected to a critical spotlight on many issues ranging from governance, management, accountability, stewardship of resources, and transparency. This is because studies have established that corporate governance influences of any not-for-profit organization, including faith-based facilities, affect their performance [6]. Studies have actually shown that corporate governance can be used to counteract some of the challenges that African health facilities currently face [7].

The Kenyan context of faith-based health facilities is not any different from

the African context described above as regards the challenges that not-for-profit organisations face. A number of faith-based health facilities are in serious crisis because of poor governance structures, which have huge implications on the oversight element of the said facilities [8]. The significant role of the not-for-profit organisation in the health sector in Kenya right from independence was in response to the health or disease challenge which along with poverty, and ignorance had been identified by the independent government biggest challenges that had to be surmounted as a matter of priority [2]. Consequently, the promotion of coverage and enhancement of accessibility to health care services were of great priority.

Studies show that privately run hospitals provide the ideal model for sustainably running and managing health facilities because they have been able to embrace the best corporate governance practices and rules [9] [10]. However, most of the not-for-profit private health providers like faith-based health facilities are yet to embrace such good corporate governance practices, therefore exposing the institutions to the risks of continued reliance on boards of management that are strictly constituted and run by religious leaders. In the light of these observations, there are clear gaps in the current understanding and knowledge on how good corporate governance practices and the values they bring to the running of health facilities influence the overall organizational performance of Faith-based health facilities. It is not therefore clear how much the governance of not-for-profit faith-based health facilities is guided by corporate governance practices [3]. This study therefore sought to examine the influence of corporate governance practices on the organizational performance of the not-for-profit faith-based hospitals that have been in operation in Kenya up to the year 2020, while determining the moderating effect of organizational culture on the influence.

2. Methods

2.1. Study Design

Health facility based census was adopted for this study, the design was considered appropriate because it presents the status of corporate governance and hospital performance at one point in time [11]. Self-administered questionnaire was used to generate qualitative data on corporative governance practice, health facility performance, and organizational culture and norm. Key informant interview was conducted to generate qualitative data from purposively selected informants from KCCB and CHAK secretariats to complement the qualitative data.

2.2. Study Site and Population

This study focused on all faith-based hospitals because they are major contributors in healthcare services and have well established governance structures that were likely to influence organizational performance [12] [13]. The targeted hospitals included 62 from Kenya Conference of Catholic Bishops (KCCB) and 26

from Christian Health Association of Kenya (CHAK) in 34 counties across Kenya. Four strategic level managers were purposely selected from all the 88 hospitals considering the position they hold in the hospital, ability and willingness to respond to questions concerning variables under study. They include one hospital board member (community representatives), CEOs/Administrators, finance managers, and medical superintendents thus making a total of 352 respondents.

2.3. Operational Definition of Terms

Corporate Governance: In this study, this term is taken to mean the processes, procedures, practices, structures, and systems via which a given organization oversees its businesses and affairs and strives to meet its financial, operational, and strategic objectives as well as attaining long-term sustainability. Thus, it is a system through which an organization is managed and controlled in order to guard the interests of all stakeholders and guarantee rational profits on investments of the said shareholders [14] [15].

Organizational Performance: organizational performance embraces an organization's actual results (outputs) compared with its planned results or outputs [16]. In this study, organizational performance was measured by the quantitative assessment of the number of outpatients and inpatients accessing quality services, degree of a health facility's financial performance, and customer satisfaction.

Organization Culture: In this study, organizational culture was taken to mean an organizational shared phenomenon that represents a stable and coherent set of practices and beliefs of a given organization [17]. Besides, organizational culture is perceived as a tool that managers use to control the workers' attitude by means of sharing and transmitting organizational values, norms, rites, stories, beliefs, symbols, and so on. By so doing, managers control and direct employees behavior and, therein, motivate the said employees, give them a sense of belonging, and make them committed to the organization and its objectives [18]. In this case, these tenets guide employees how to perceive, think, and react about a particular situations in an organization [19]. In this case, organizational culture enforces accepted organizational norms to be practiced. In this study, it was held that when employees are committed to an organization and shares the same organizational norms and value system, there was an increment of organizational performance towards achieving the overall organization goals, and vice versa.

2.4. Data Collection Tools and Procedure

The self-administered questionnaire was designed and pretested, then distributed through hand delivery and email. Informed consent was sought from the participants before being involved in the study. In designing questionnaire, the following questionnaire design principles were followed: language used was clear

and comprehensible language for easy understanding by the respondents, the questions were neutral to avoid suggestive questions or unbalanced answering options, the concepts were operationalized and translated into clear and tangible indicators, and lastly, the order of questions were optimized to get a natural, unbiased feedback. In this study the key informant interview was conducted with 9 purposively selected informants; 4 from both KCCB and CHAK secretariats and 5 purposively selected board members from faith-based hospitals. The key informant in depth interviews was undertaken after the return of the questionnaire by the target population-the senior managers of faith-based hospitals.

The pre-testing was undertaken in faith-based health centers amongst the officer's in-charges. It is noted that the officer's in-charge of health centers were not part of the target population of the study who are the senior hospital managers. The study undertook the pilot in 30 faith-based health centers in Kirinyaga County. The SPSS Cronbach's alpha internal consistency reliability assessment measures of scale were applied in this study. All the items on the Likert scale had a Cronbach's alpha ranging from 0.923 to 0.930, indicating and internal consistency and reliability of the questionnaire. Both questionnaire and key informant interview guide were tested for face and content validity by sharing the instrument with the supervisors and the two National executive secretaries of KCCB and CHAK. This was done in order to assess the content adequacy and flow and the accuracy with which an instrument measures the factors under study.

2.5. Data Management and Analysis

The collected data was first keyed in Statistical package for social sciences (IBM SPSS version 25). The data was then cleaned to facilitate statistical analysis. Descriptive statistics was done using frequencies, percentages and cross tabulations. Logistic regression was used to determine the influence of corporate governance on hospital performance. Multiple logistic regressions were used to determine the moderating effect of organizational culture and norm on the relationship between corporate governance and hospital performance.

The logistic regression is mathematically expressed as

$$f(p) = \frac{1}{1 + e^{-p}} \quad (1)$$

Equation (1) can be simplified as

$$\text{logit}(p) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n \quad (2)$$

where:

p = probability of presence of the characteristic of interest

β_0 = representation of the reference group

β_1, \dots, β_n = the regression coefficients associated with the reference group

X_1, \dots, X_n = The repressors.

For qualitative data, content analysis was done. Through an iterative process of reading and rereading of the interview transcripts, key themes were identified

and placed in a thematic matrix to make the data emendable to matching and cross-matching of emergent thematic issues. This way, key messages were isolated in the form of patterns and relationships as per corresponding objectives of the study.

2.6. Ethical Considerations

This research was conducted in a safe, ethical manner that ensured that the humanitarian imperative of Do-No-Harm was strictly followed. The study also respected the ethical principles of confidentiality and informed consent and took serious steps to avoid raising expectations. The research was reviewed and approved by the Kenya Methodist University Science, Ethics, and Research Committee (SERC) (Approval No. KeMU/SERC/HSM/59/2021) and the National Commission of Science and Technology (NACOSTI) (License No: NACOSTI/P/22/14950). The researcher sought clearance from CHAK and KCCB secretariats and hospital CEOs/Administrators. Informed consent was also obtained from all the respondents. Furthermore, the researcher assured the informants and the respondents about the utmost observance of confidentiality of use of their information purely for research purposes only and that just in case of need for transmission of data other than for this thesis, their consent will be sought before it is used. Only the stamped consent forms were used for recruitment of respondents.

3. Results and Discussion

3.1. Demographic Characteristics of the Respondents

There was a response rate of 86% (302). **Table 1** shows that majority of the respondents (37.1%) reported having attained master's degrees, while another 30.8% had attained bachelor's degree. A small number (19.1%) had post graduate master's degree with another smaller number (7.1%) having attained doctor of philosophy PhDs. Most of the respondents were either finance managers (29.5%) or

Table 1. Demographic health facility characteristics.

	Frequency	Percentage
Respondent and characteristic		
Position		
Administrator	75	24.8
Finance Manager	89	29.5
Medical Superintendent	88	29.1
Board Member	50	16.6
Gender		
male	183	60.6
female	119	39.4

Continued**Age**

25 - 34	7	2.3
35 - 44	65	21.5
45 - 54	155	51.3
55 - 64	75	24.8

Level of education

Diploma	70	23.2
Bachelors	93	30.8
Masters	112	37.1
PhD	27	8.9

Years of experience

1 - 3 years	36	11.9
4 - 6 years	106	35.1
7 - 10 years	91	30.1
above 10 years	69	22.8

Health Facility characteristics**Number of Specialist**

1 - 30	100	33.1
30 - 60	122	40.4
60 - 90	52	17.2
90 - 120	28	9.3

Number of support staff

1 - 50	46	15.2
50 - 100	145	48.0
100 - 150	77	25.5
150 - 200	34	11.3

Bed Capacity

1 - 40	47	15.6
40 - 80	134	44.4
80 - 120	80	26.5
Above 120	41	13.6

Occupancy Rate

0% - 25%	13	4.3
25% - 50%	121	40.1
51% - 75%	153	50.7
76% - 100%	15	5.0

medical superintendent (29.1%). Almost three-fifth of the respondents was males (60.6%), whereas more than a half (51.3%) was aged 45 - 54 years. A third of the respondents had (37.1%) masters and (35.1%) 4 - 6 years' experience.

Most hospitals 134 (44.4%) reported bed capacity of 40 - 80, while 80 (26.6%) had 80 - 120 beds and those with 120 and above accounted for 41 (13.6%). Others 47 (15.6%) had bed capacity of below 40 beds. The occupancy rate was 51-75% for most of the facilities 153 (50.7%) and only 15 (5%) hospitals had an occupancy rate of 75% - 100%. The results concurs with a study carried by CHAK secretariat to ascertain sustainability of the church sponsored hospitals whose results showed that only 10% were doing well, 50% were hanging on the balance and 40% were performing poorly [12].

3.2. Corporate Governance Practices Influence on Performance of Faith-based Hospitals

Multivariate logistic regression was used to establish the influence of Corporate Governance practices on performance of faith-based hospitals. The results of the analysis are as presented in **Tables 2-5**.

Omnibus test of model coefficients is used to denote the predictive ability of a statistical model after considering all the study variables as a block. As shown in **Table 2** that the p -value of the model as a block was $p < 0.01$ which indicates that the model has great predictive ability.

As shown in **Table 3** the four independent variables account for about 49.2% of the variations in the performance of faith-based hospitals in Kenya. This in effect implies that about 50.8% of the variation in the performance of faith-based hospitals is not accounted for in this study. This calls for more studies in this area to unearth all the factors influencing performance of faith-based hospitals in Kenya.

Table 2. Omnibus tests of model coefficients.

	Chi-square	Df	P -Value
Step	42.314	13	0.000
Block	42.314	13	0.000
Model	42.314	13	0.000

Table 3. The model summary.

Deviate Score	Cox & Snell R Square	Nagelkerke R Square
203.783	0.444	0.492

Table 4. Hosmer and Lemeshow test.

Chi-square	Df	Sig.
11.309	9	0.192

Table 5. Multivariate logistic regression results.

Variable	B	S.E.	p-value	Odds Ratio
Hospital Board Composition				
Not Well Composed				1.000
Well Composed	0.852	1.043	0.026	2.344
Stakeholder Representation				
Not Well Represented				1.000
Well Represented	0.439	0.508	0.008	1.551
Stakeholder forums				
Not Held				
				1.000
Held				
	0.902	0.911	0.809	2.465
Disclosure				
No Disclosure				
				1.000
There is Disclosure				
	0.262	0.727	0.018	1.300
Ethics And Moral Codes				
No Ethics and Moral Codes				
				1.000
There are ethics and Moral Codes				
	0.371	0.602	0.047	1.449
Accountability				
No Accountability				
				1.000
There is Accountability				
	0.302	1.019	0.028	1.353
Strategic Direction				
No Shared Strategic Direction				
				1.000
There is Shared Strategic Direction				
	0.122	0.523	0.002	1.130
Board Empowerment				
Not Empowered				
				1.000
Empowered				
	0.695	0.713	0.296	2.004
Mobilization				
There is Mobilization				
				1.000
No Mobilization				
	-0.400	0.926	0.027	0.670
Resource Allocation				
There is allocation				
				1.000
No Allocation				
	-0.151	0.741	0.301	0.860
Financial_Monitoring				
No Financial Monitoring				
				1.000
There is Financial Monitoring				
	0.457	0.738	0.000	1.579

The Hosmer and Lemeshow Test is another measure of binary logistic models fit for prediction. The null hypothesis is that the model is fit against the alternative that the model is not fit. As presented in **Table 4**, the chi-square results,

were $\chi^2 = 11.309$, $p = 0.192$. Thus we failed to reject the null hypothesis. This implies that the model is fit for this study and possesses significant predictive ability. It was concluded that the model is appropriate for this study.

As shown in **Table 5**, when all independent variables were considered, hospital board composition remained to be a significant factor influencing the performance of faith-based hospitals in Kenya. Hospitals with a well composed board were 2.344 times more likely to register increased financial returns when compared to those with board which is not well composed. As expected, the results further indicated that stakeholder representation is a key factor influencing the performance of faith-based hospitals in Kenya. Financial returns were 1.551 times higher in hospitals where all stakeholders are well represented when compared to those where all stakeholders are not well represented. The results were significant at 5% level. A board with diversity of skills, knowledge-base and core competences bring about various kinds of expertise and perspectives out well in favour of the overall improved performance of the organisation. Consequently, an ideal board is one that has diversity representation of the community around which it serves in terms of such aspects like religion, gender, age, competencies, experiences, ethnicity, race, experience, and skills [20] [21]. However, no significant relationship was found to exist between stakeholder forums and performance of faith-based hospitals in Kenya.

In terms of hospital board accountability, the results further indicated that hospital board accountability is a key corporate governance practice associated with performance of faith-based hospitals in Kenya. First, Hospitals which emphasize on disclosure of strategic reports were 1.300 times more likely to register increased financial returns when compared to those hospitals which don't emphasize on disclosure of strategic reports. The results were significant at 5% level. Second, the same was corroborated by the results on Moral and ethical codes which the study established that they are statistically and significantly associated with the performance of faith-based hospitals in Kenya. Financial returns were 1.449 times higher in hospitals that had clear and well documented moral codes when compared to those with no clear and well documented moral and ethical codes. Third, hospital board accountability was found to have a significant relationship with performance of faith-based hospitals. Hospitals where the board was fully accountable for performance of the hospital, the hospital 1.130 times more likely to record increased returns when compared to hospitals where the board is not fully accountable for the performance of the hospital. The results were significant at 5% level. Katwesigye [22] noted that boards are responsible for setting standards of conduct for the board members to act responsibly and ethically. Transparency, integrity, openness and disclosure are all essential in cultivating accountability for boards and all stakeholders.

The results also indicate that hospital board's shared strategic direction is a significant factor influencing the performance of faith-based hospitals in Kenya. Hospitals with shared strategic direction were 1.130 times more likely to record increased financial returns when compared with those that didn't have shared

strategic direction. The results were significant at 5% level. The board should invest the resources required to objectively assess its performance against established benchmarks and take action to make changes required to improve the board's structure, practices, and performance. According to Prybil *et al.* [23], changes in economic, environmental, legal, and technological arenas have continuously increased the complexity with which governance in organizations is carried out. As far as hospital board's stewardship of resources is concerned, the results indicated that hospital board's stewardship of resources is a significant factor influencing the performance of faith-based hospitals in Kenya. Hospitals which had no mechanism for resource mobilization were 0.730 times less likely to record increased financial returns when compared with those that had mechanism for resource mobilization.

The results also indicated that there is a strong relationship between resource allocation and performance of faith-based hospitals in Kenya. First, Hospitals which didn't have clear mechanism of resource allocation were 0.670 times less likely to record increased returns when compared to hospital with well-documented mechanisms of resource allocation. The results were significant at 5% level. Second, financial monitoring was found to have a significant relationship with performance of faith-based hospitals. Hospitals which had clear and well documented financial monitoring mechanisms were 1.579 times more likely to record increased returns when compared to hospitals which did not have clear financial monitoring mechanisms. The results were significant at 5% level. In line with these issues, empowering board directors can give rise to sound corporate governance that can increase confidence of the investors, and improve the shareholders' benefits, and, generally speaking, enhance organizational performance [24] [25]. The study however didn't show and statistically significant relationship between board empowerment, resource allocation and performance of faith-based hospitals in Kenya.

3.3. Moderating Effect of Organizational Culture in the Relationship between Corporate Governance Practices and Performance of Faith-based Hospitals

This section examines whether organizational culture plays a moderating role in the relationship between corporate governance practices and performance of faith-based hospitals in Kenya. The results of the analysis are as follows:

As shown in **Table 6**, Nagelkerke R square = 0.547. Converting the r square into percentage gives 54.7%. This implies that the model with organizational culture accounts for about 54.7% of the variation in performance of faith-based hospitals. A comparison on the deviate score in **Table 5** and that in **Table 7** shows that the model with organizational culture is more parsimonious when compared to that without organizational culture. This in effect shows that organizational culture plays a role in the relationship between corporate governance practices and performance of faith-based hospitals in Kenya.

Table 6. Model summary.

Deviate Score	Cox & Snell R Square	Nagelkerke R Square
114.596 ^a	0.477	0.547

Table 7. Multivariate logistic regression results incorporating the organizational culture as a moderating variable.

Variable	B	S.E.	p-value	Odds Ratio
Hospital Board Composition				
Not Well Composed				1.000
Well Composed	0.891	1.043	0.000	2.438
Stakeholder Representation				
Not Well Represented				1.000
Well Represented	0.526	0.508	0.000	1.692
Stakeholder Forums				
Not Held				1.000
Held	0.947	0.911	0.204	2.578
Disclosure				
No Disclosure				1.000
There is Disclosure	0.350	0.727	0.004	1.419
Ethics And Moral Codes				
No Ethics and Moral Codes				1.000
There are ethics and Moral Codes	0.389	0.602	0.037	1.476
Accountability				
No Accountability				1.000
There is Accountability	0.441	1.019	0.016	1.554
Strategic Direction				
No Shared Strategic Direction				1.000
There is Shared Strategic Direction	0.213	0.523	0.000	1.237
Board Empowerment1				
Not Empowered				1.000
Empowered	0.824	0.713	0.068	2.280
Mobilization1 (1)				
There is Mobilization				1.000
No Mobilization	-0.345	0.926	0.007	0.708
Resource Allocation1 (1)				
There is allocation				1.000
No Allocation	-0.101	0.741	0.187	0.904
Financial_Monitoring1				
No Financial Monitoring				1.000
There is Financial Monitoring	0.557	0.738	0.000	1.745

In order to ascertain whether organizational culture play a moderating role in the relationship between corporate governance practices and performance of faith-based organizations, the results in **Table 5** are compared with those in **Table 7**. The odds of performance in faith-based hospitals increased for all variables when organizational culture was introduced. In addition, a comparison of results in **Table 5** and those in **Table 7** indicated that, by introducing organizational culture in the relationship between corporate governance practices, the model not only improved but also its predictive ability increased. Organization culture and norm have been recognized to give some competitive advantage [26], because they give sense of identity to organization members. While previous studies have shown the effect of organizational culture on employees behaviour and performance [27] [28], this study found out that organizational culture and norm had positive effect on stakeholders forum, ethical and moral codes, strategic planning, board empowerment, mobilization and allocation, and financial monitoring (audit) in predicting good performance. In fact, they enhanced their prediction level, an indication of how organizational culture and norm enrich their influence to faith-based health facility performance. In addition, the odds of performance in faith-based hospitals increased for all variables when organizational culture was introduced previous studies have also shown that organizational culture can have tremendous effects on financial performance within the organization [29] [30] [31]. Organizational culture also has been found to affect performance in all categories of organizational profile setting [32]. Studies suggests that when a firm's corporate governance practices are co aligned with its context, as defined by the environment, positive performance can be expected [33]. This argument suggests that the positive relationship between organizational culture and performance may be contingent on the fit of the good setup of a management board of directors with the operating organizational culture type (Sharma & Manikuti, 2005). This study demonstrate that organizational culture and norm are key in enhancing the effect of other important cooperate governance practices towards faith-based health facility performance improvement. Because, increasing the corporate governance variable by 1% would result to 2.24% improved performances if organizational culture and norm is taken into consideration. Organizational culture accounts for about 54.7% of the variation in performance of faith-based hospitals.

The modelled equation for **Figure 1** is

$$\tilde{y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9.$$

Suppose one increase cooperate governance variable by 1% without organizational culture and norms, then the performance will improve by 2.5%.

$$\begin{aligned}\tilde{y} &= 0.105 + 0.852 * 1\% + 0.439 * 1\% + 0.262 * 1\% + 0.371 * 1\% + 0.302 * 1\% \\ &\quad + 0.122 * 1\% - 0.400 * 1\% + 0.457 * 1\% \\ &= 2.501\%\end{aligned}$$

with organizational culture and norms in place it improve by 4.074%

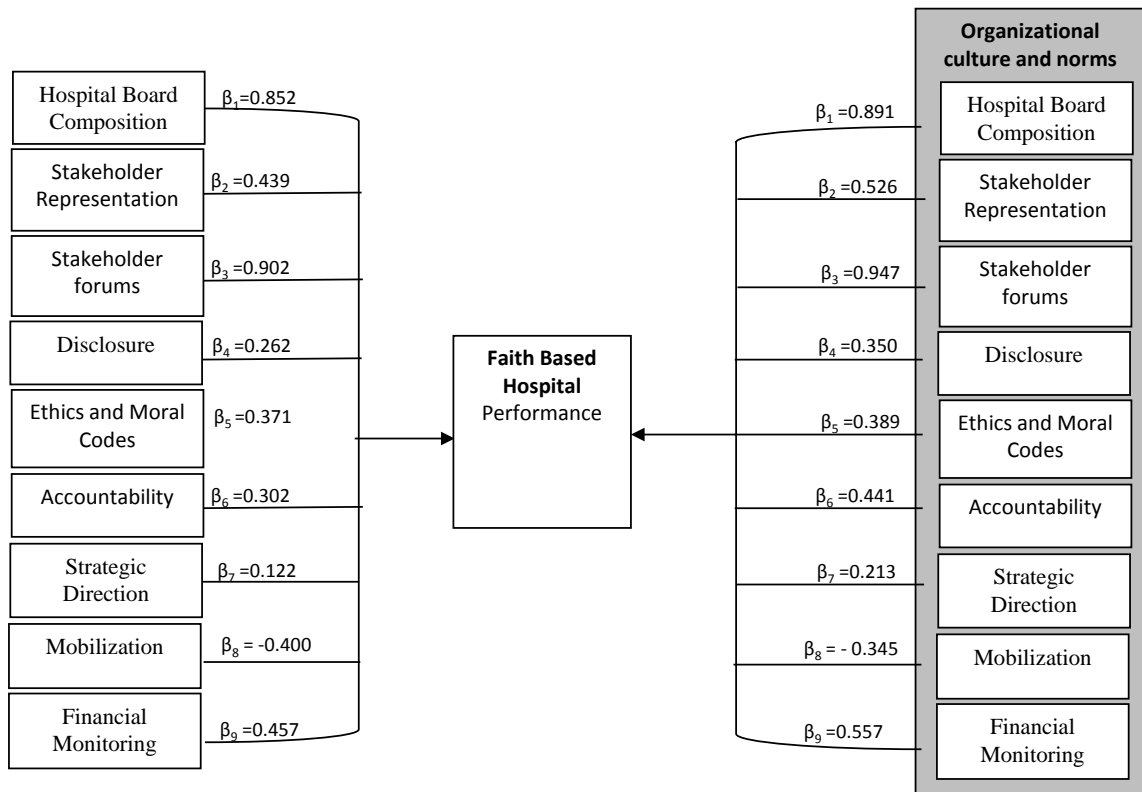


Figure 1. Modelled framework for improving faith-based Hospital performance through cooperate governance.

$$\begin{aligned} \tilde{y} &= 0.105 + 0.891 * \% + 0.526 * 1\% + 0.947 * 1\% + 0.350 * 1\% + 0.389 * 1\% \\ &\quad + 0.441 * 1\% + 0.213 * 1\% - 0.345 * 1\% + 0.557 * 1\% \\ &= 4.074\% \end{aligned}$$

Therefore, in order to maximize on the moderating effect organizational culture and norms on the relationship between cooperate governance and faith-based hospital performance, then increasing each cooperate governance variable by 25% will result to almost 100% improved performance.

$$\begin{aligned} \tilde{y} &= 0.105 + 0.891 * 25\% + 0.526 * 25\% + 0.947 * 25\% + 0.350 * 25\% \\ &\quad + 0.389 * 25\% + 0.441 * 25\% + 0.213 * 25\% - 0.345 * 25\% + 0.557 * 25\% \\ &= 99.33 \end{aligned}$$

4. Conclusion

Organizational culture and norms are crucial for enhancing the effect of other important cooperative governance elements on faith-based health facility performance. Therefore, they should be considered when designing an intervention to enhance the performance of faith-based health facilities.

5. Recommendations

Faith-based hospitals should share and inculcate organizational values, norms, rites, and beliefs, to their workforce as part of corporate governance practices in order to enhance performance.

Further research on the effect of organizational culture on relationship between corporate governance and performance among public hospitals is needed.

Conflicts of Interest

The authors declare no conflicts of interest.

References

- [1] Ecumenical Pharmaceutical Network (EPN) (2016) Annual Report 2016. Ecumenical Pharmaceutical Network, Nairobi.
<https://www.epnetwork.org/publications/annual-report-2016/>
- [2] Azevedo, M.J. (2017) Historical Perspectives on the State of Health and Health Systems in Africa. Vol. 2, Palgrave Macmillan, Cham.
<https://doi.org/10.1007/978-3-319-32564-4>
- [3] Malesi, N. (2017) Corporate Governance Practices and Performance of Commercial Banks Listed at the Nairobi Securities Exchange, Kenya. University of Nairobi, Nairobi.
- [4] Mannion, R. and Davies, H. (2018) Understanding Organisational Culture for Healthcare Quality Improvement. *BMJ*, **363**, k4907.
<https://doi.org/10.1136/bmj.k4907>
- [5] Banks, N. and Hulme, D. (2012) The Role of NGOs and Civil Society in Development and Poverty Reduction. Working Paper No. 171, Brooks World Poverty Institute, Manchester. <https://doi.org/10.2139/ssrn.2072157>
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2072157
- [6] Cornforth, C. (2012) Nonprofit Governance Research: Limitations of the Focus on Boards and Suggestions for New Directions. *Nonprofit and Voluntary Sector Quarterly*, **41**, 1116-1135. <https://doi.org/10.1177/0899764011427959>
- [7] Shaheen, Y. and Jaradat, N. (2019) Corporate Governance Impact on Insurance Firm's Performance: The Case of Palestine. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, **9**, 201-210.
<http://dx.doi.org/10.6007/IJARAFMS/v9-i3/6359>
- [8] Barasa, F.O. (2020) The Church and the Healthcare Sector in Kenya: A Functional Analysis of Its development through Evangelization. *International Journal of Innovative Science and Research Technology*, **5**, 1058-1064.
<https://doi.org/10.38124/IJISRT20SEP603>
- [9] Basu, S., Andrews, J., Kishore, S., Panjabi, R. and Stuckler, D. (2012) Comparative Performance of Private and Public Healthcare Systems in Low- and Middle-Income Countries: A Systematic Review. *PLOS Medicine*, **9**, Article ID: e1001244.
<https://doi.org/10.1371/journal.pmed.1001244>
- [10] Kinyanjui, G.K., Gachanja, P.M. and Muchai, J.M. (2015) Technical Efficiency of Hospitals Owned by Faith-Based Organizations in Kenya. *The Journal of Pan African Studies*, **8**, 45-63.
- [11] Kothari, C. (2003) Research Methodology: Method and Techniques. H.S. Poplai, New Delhi.
- [12] CHAK (2019) Governance and Sustainability in Faith-Based Health care Providers. CHAK Secretariat, Nairobi.
- [13] Devolution Hub (2019) KCCB Health Facilities 2019.
<https://www.devolutionhub.or.ke/resource/kccb-health-facilities-2019>
- [14] Cadbury, A. (1992) Report of the Committee on the Financial Aspects of Corporate

- Governance, Gee. World Bank Press, Washington DC.
- [15] Sullivan, J.D. (2009) The Moral Campus of Companies: Business Ethics and Corporate Governance as Anti-Corruption Tools. International Finance Corporation, Washington DC.
- [16] Richard, P.J., Devinney, T.M., Yip, G.S. and Johnson, G. (2009) Measuring Organisational Performance: Towards Methodological Best Practice. *Journal of Management*, **35**, 718-804. <https://doi.org/10.1177/0149206308330560>
- [17] Illback, R.J. (2014) Organization Development and Change Facilitation in School Settings. In: Erchul, W.P. and Sheridan, S.M., Eds., *Handbook of Research in School Consultation*, Routledge, New York, 276-303.
- [18] Sun, S. (2009) Organizational Culture and Its Themes. *International Journal of Business and Management*, **3**, 137-141. <https://doi.org/10.5539/ijbm.v3n12p137>
- [19] Garcia, C.G. (2014) The Impact of the Degree of Organization in NGOs Performance. Doctoral Dissertation, United States International University-Africa, Nairobi.
- [20] Zandstra, G.L. (2002) Enron, Board Governance and Moral Failings. *Corporate Governance*, **2**, 16-19. <https://doi.org/10.1108/14720700210430333>
- [21] Nili, Y. and Rosenblum, D. (2019) Board Diversity by Term Limits? 71 Alabama Law Review 211. University of Wisconsin Legal Studies Research, Paper No. 1467. <https://ssrn.com/abstract=3353493>
- [22] Katwesigye, E. (2013) Corporate Governance Practices of Selected Faith-Based Organizations in Uganda. Thesis, Mbarara University of Science and Technology, Uganda.
- [23] Prybil, L. (2008) What's Your Board's Culture? *Trustee. The Journal for Hospital Governing Boards*, **61**, 16-18, 23-24, 1.
- [24] Cossin, D. and Lu, A.H. (2021) The Four Tiers of Conflict of Interest Faced by Board Directors. <https://www.imd.org/research-knowledge/articles/the-four-tiers-of-conflict-of-interest-faced-by-board-directors/>
- [25] Kiliko, J.M. (2015) Corporate Governance-Strategic Decision Making Co-Alignment, External Environment and Performance of Mission Hospitals in Kenya, Unpublished PhD Thesis, University of Nairobi, Nairobi.
- [26] Stratton, G. and Northcote, J. (2016) When Totems Beget Clans: The Brand Symbol as the Defining Marker of Brand Communities. *Journal of Consumer Culture*, **16**, 493-509. <https://doi.org/10.1177/1469540514528194>
- [27] Mohsen, A., Neyazi, N. and Ebtekar, S. (2020) The Impact of Organizational Culture on Employees' Performance: An Overview. *International Journal of Management*, **11**, 879-888.
- [28] Paschal, A.O. and Nizam, I. (2016) Effects of Organisational Culture on Employees' Performance: Case of Singapore Telecommunication. *International Journal of Accounting & Business Management*, **4**, 19-26. <https://doi.org/10.24924/ijabm/2016.04/v4.iss1/19.26>
- [29] Booth, S.A. and Hamer, K. (2009) Corporate Culture and Financial Performance: An Empirical Test of a UK Retailer. *International Journal of Retail & Distribution Management*, **37**, 711-727. <https://doi.org/10.1108/09590550910966204>
- [30] Mohammed, A., Bin Taib, C. and a/l S.R. Nadarajan, S. (2016) Mapping the Relationship among Quality Management Practices, Organizational Learning, Organizational Culture, and Organizational Performance in Higher Education: A Proposed Framework. *American Journal of Industrial and Business Management*, **6**, 401-410.

- <https://doi.org/10.4236/ajibm.2016.64036>
- [31] Saad, G.B. and Abbas, M. (2018) The Impact of Organizational Culture on Job Performance: A Study of Saudi Arabian Public Sector Work Culture. *Problems and Perspectives in Management*, **16**, 207-218.
[https://doi.org/10.21511/ppm.16\(3\).2018.17](https://doi.org/10.21511/ppm.16(3).2018.17)
- [32] Schneider, B., Ehrhart, M.G. and Macey, W.H. (2013) *Organizational Climate and Culture*. Routledge, New York. <https://doi.org/10.4324/9781315857664>
- [33] Cameron, K. and Quinn, R. (2011) *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*. John Wiley & Sons, Hoboken.
https://books.google.com/books?hl=en&lr=&id=EgADAwAAQBAJ&oi=fnd&pg=PR9&dq=trompenaars+Family+culture+and+strategy+implementation&ots=o_oE7ONhTV&sig=6vjq-k1ZhcbJMFghsBzpXt5Qt-Q