

**CORPORATE GOVERNANCE, SERVICE INNOVATION, GOVERNMENT
REGULATIONS AND ORGANISATIONAL PERFORMANCE OF FAITH-
BASED HOSPITALS IN KENYA**

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DECLARATION

Declaration by the Candidate

I declare that this thesis is my original work and has not previously in its entirety or in part been presented for a degree or other academic work.

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Declaration by the Supervisors

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DEDICATION

This thesis is dedicated to my dear family, friends and colleagues for their encouragement and inspiration throughout my studies. My gratitude is to wife Daisy Mwendu Kyalo; my children Precious, Praise, Prosper and Promise for being a constant source of motivation and source of strength.

Finally, yet importantly, am grateful to my parents, Mr. Benjamin Nzou and Mrs. Agnes Kimote my brother Joseph Muna Kimote for his contribution in my academic life, classmates and colleagues for their support and scholarly advice.

May the Almighty God bless you All.

You have been a gem.

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ABBREVIATIONS AND ACRONYMS

CEO	Chief Executive Officer
CG	Corporate Governance
CHAK	Christian Health Association of Kenya
CSR	Corporate Social Responsibility
FBHs	Faith-based Hospitals
GCC	Gulf Cooperation Council
GoK	Government of Kenya
GR	Government Regulations
HMIS	Health Management Information System
ILO	International Labour Organization
KHMFL	Kenya Health Master Facility List
MOH	Ministry of Health
NGOs	Non-Governmental Organization
OECD	The Organization for Economic Co-operation and Development
OLS	Ordinary Least squares
PLS -SEM	Partial Least Square Structural Equation Modeling
R&D	Research and Development
RDT	Resource Dependency Theory
SDGs	Sustainable Development Goals
SEM	Structural Equation Modeling
SI	Service innovation
SIC	Standard Industrial Classification Code
VIF	Variance Inflation Factor

OPERATIONAL DEFINITION OF TERMS

Corporate Governance	Corporate governance is a set of systems, practices and guidelines that direct and control; the structure and processes for decision-making, accountability, control and behaviour of the shareholders and related stakeholders. It influences how objectives are set and achieved, how risk is monitored and addressed and how performance is optimized.
Faith-based Hospitals	These are health service institutions that are owned, established, managed, and controlled by the church or religious organisations.
Government Regulations	Refers to the legal system, which includes the government's enforceable laws, policies and regulations with which every institution and person must abide and are typically upheld by enforcing violations with fines and other sanctions. In this study government regulations was operationalised using Law & Regulations, Professional Ethics and Professional Standards.
Organisational performance	Refers to a company's ability to achieve actual output or results against its intended outputs. Performance can be measured using the financial or non-financial viewpoints. In this study organisational performance was operationalised using; Internal Business process efficiency, Customer satisfaction, Effectiveness and Productivity.
Service Innovation	Refers to a value-added chain service activity in which businesses offer novel services by fusing previously existing aspects with recently produced ones. Service innovation was conceptualized in this study using; Diversification of services, Technological integration, Process improvement, and Customer-centric services.

ABSTRACT

The purpose of the study was to establish the relationship between corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals in Kenya. The specific objectives of the study were; to establish the effects of corporate governance on organisational performance of faith-based hospital in Kenya; to determine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya; to examine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya; and to determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study was anchored on the Resource Dependence Theory and employed positivist research philosophy. This study used cross-sectional survey research approach. The study adopted a census method to obtain study population. The unit of analysis consisted of level 4 and 5 Faith-based Hospitals in Kenya while the unit of observation consisted of Finance Director, Executive Director and Medical director of all the target faith-based hospitals. Three hundred and nine questionnaires were administered to Finance Director, Executive Director and Medical director of all faith-based hospitals using purposive sampling. Primary data was collected using a structured questionnaire. Quantitative data was analysed using Statistical Package for Social Sciences (SPSS version 27). Regression analysis was used in the prediction of causal inferences between the study variables and hypothesis testing. The study observed ethical standards of research: Informed consent, voluntary participation, confidentiality, privacy and anonymity. The study findings indicated that there was a statistically significant correlations between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Service innovation was found to have a partial mediation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Moreover, government regulations was found to have a enhancing moderating effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study recommends that regulations governing faith-based hospitals' adoption of innovative medical services and technology should be simplified and hospitals should engage stakeholders in the process of designing and improving services to make sure that innovations meet their needs and improve results. To improve service delivery and efficiency, faith-based hospitals should embrace advances made possible by technology, such as telemedicine, electronic health records, and mobile health applications.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter describes the study's background, problem statement, objectives, scope, significance, and limitations. The justification of the study and discussion of the constructs is discussed and the delimitations outlined.

1.1 Background of the Study

The role of corporate governance as a mechanism for effective institutional management has piqued the interest of numerous strategic and policy-making bodies around the world (International Finance Corporation, 2020). Corporate failures and appalling corporate performance have been caused by dysfunctional public administration, a lack of transparency, distortions, and bad corporate governance, which have a detrimental effect on productivity and organisational goals (Kyere & Ausloos, 2021). Globally, lack of sound corporate governance has been linked to poor organisational performance (Bezawada, 2020). Studies show that poor corporate governance practices is a contributing factor in the scandals and financial failures that were observed in Europe in hospitals (Brown, 2019; Mannion et al., 2019; Marques, da Silva, Teixeira, & Nogueira, 2020). According to the findings of the research conducted by Erwin, Landry, Livingston, and Dias (2019) in the United States, there is a correlation between corporate governance proxies and hospital performance.

A study by Berland (2019) revealed the need for shared responsibility between the directors of the hospital and the community in observing good corporate governance in the hospitals in Canada. Likewise, Afriyie et al. (2020) observed that a hospital's performance and operational efficiency is enhanced by good governance in Ghana health industry. Marques, Serrasqueiro, and Nogueira (2020) linked transparency, truthfulness, and integrity in hospitals to a strong corporate governance (Agnihotri & Arora, 2021). In Kenya, poor organisational performance has been linked to poor corporate governance in health sector (Emodia, & Mwanzia, 2021; Kinyua & Ngari, 2021; Muthengi & Ragui, 2023). Sound corporate governance protects shareholders' rights by increasing corporate transparency and ensuring greater disclosure of financial and non-financial information

(Wu, Coleman, & Bawuah, 2020; El-Chaarani, Abraham, & Skaf, 2022; Lin & Qamruzzaman, 2023). Organisations that follow clear corporate governance are better able to manage efficient systems, regulate oversight, provide more chances for growth, and have better access to resources, which improves overall performance and lowers risks (Bhagat & Bolton, 2019). Morteruel et. al. (2021) emphasizes the need for governance in the health sectors by stimulating supportive innovative and extensive public health management strategies to combat diseases through healthy living, health promotion, and early detection.

Poor service innovation strategies arising from an improper analysis of the industry have led to poor implementation of the adopted strategies (Zhao, Tsai, & Wang, 2019; YuSheng, & Ibrahim, 2019). Corporate governance plays a crucial role in fostering service innovation in an organization. Effective corporate governance structures and practices provide the framework for aligning organizational goals, managing resources, and encouraging a culture of innovation (Aureli et al. 2020). Corporate governance provides the foundation for creating a supportive environment for service innovation by establishing a clear vision, managing risks, allocating resources strategically, appealing stakeholders, measuring performance, and fostering an organisational culture that values and encourages innovation (Scherer & Voegtlin, 2020). The results of an analysis by Kitsios and Grigoroudis (2020) showed a relationship between service innovation and performance. Adoption of proper and timely service innovations results in improved performance (Joly et al., 2019). As a result of the technology's exponential growth, businesses are developing new products in response to consumer demands and requests (Audretsch & Belitski, 2020). Consumers' wants are changing at an exponential rate necessitating the need for organizations to continuously seek new products with the latest technological advancements (Capozza & Divella, 2019).

Government regulations include policies, acts, standards, and rules aimed at ensuring and protecting a healthy business working environment. Some regulations are aimed at protecting both shareholder and stakeholders' rights by reducing the likelihood of conflict between the shareholders and management (KSA's Corporate Governance Regulations, 2006). Government regulations are set of mechanisms for mitigating and improving stockholders' welfare (Fernandez-Crehuet, Rosales-Salas, & Avilés, 2020; Bajaher, Habbash & Alborr, 2022). Although many regulations aim to alleviate financial constraints and eliminate corporate scandals, more research

is needed to determine the impact of government regulation on organisational performance in the health care industry (Watt et al., 2019; Oleribe et al., 2019; Mousa, & Othman, 2020).

It is essential to have a comprehensive grasp of the global health concerns in order to properly comprehend the influence that corporate governance has on the functioning of health institutions via the observation of a variety of elements. However, the majority of faith-based hospitals have yet to implement good corporate governance. As a result, these institutions continue to be vulnerable because they rely on boards of directors who lack the appropriate skill set, experience, and competence. The purpose of this research is to ascertain the relationship between corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals in Kenya.

1.1.1 Corporate Governance

Corporate governance entails a sum of principles or norms related to an organisation's internal management that are aimed at establishing an ideal relationship between the organisation's administration, board, and other stakeholders while focusing on deficits in the firm's legal system and the rights of stakeholders (Buallay, & Al-Ajmi, 2020; Al-Tae & Al-Jauhar, 2022). Corporate governance can also be described as a process and structure that establishes the company's goal, means of achieving the goal, and performance monitoring systems (Buallay, & Hamdan, 2019). Corporate governance is described as the procedures and frameworks used to manage and direct businesses (Anwar, & Aziz, 2019; Aureli, Del Baldo, Lombardi & Nappo, 2020). A sound corporate governance encourages better accountability and transparency towards the company's investors, as well as providing them with the tools they need to handle shareholder grievances. Corporate governance ensures that the interests of many stakeholders are considered, hence furthering the fundamental goal of boosting organisation's performance and shareholder value (Saygili, Saygili, & Taran, 2021). Rezeki, Pasinringi and Saleh (2020) linked the performance of hospitals to sound corporate governance. Abdallah and Bahloul (2021) revealed a link between financial performance and the indicators of corporate governance (Board of Directors, the Audit Committee, Size, Leverage and Age). Similarly, Zelalem, Ali and Wodajo (2022), allude that the indicators of corporate governance (board size, management soundness, board remuneration, and financial disclosure) were found to influence the financial performance.

Corporate governance can function as a tool to align the interests of stakeholders and management as owners' interests may differ from representatives' interests, the principal-agency problem that normally exists between the shareholders, the principals and the management, the agent enlisted to run the organization on behalf of the owners. This study adopted the definition by Aureli, Del Baldo, Lombardi and Nappo (2020) since it involves transparency and accountability, integrity in the mechanisms used in governance.

Corporate governance occurs as a change in one or more of dimensions: Accountability-Commitment to deliver measurable results; Operational effectiveness – cost containment and optimal efficiency; Quality – development, implementation, measurement and enforcement of standards; effective controls – accounting and cost monitoring within the organisation and adherence to priorities – maintaining focus on corporate goals and objectives (Hanif & Asgher, 2018; Pateli & Lioukas, 2019). In this study, corporate governance was operationalized using the following dimensions: board composition, accountability, transparency and responsibility.

1.1.2 Service Innovation

Service innovation refers to the process of acquiring the required resources, (re)combining them, and creating new services (Samuelsson, Witell, Gottfridsson, & Elg, 2019; Kurtmollaiev, & Pedersen, 2022). Service innovation is defined as the introduction of new or improved processes, goods, or services based on new scientific or technological knowledge and/or organisational know-how (Casidy, Nyadzayo, & Mohan, 2020). The introduction of new services, incremental advancements, or modifications to current services constitute service innovation (Samuelsson et al., 2019; Martin-Rios & Ciobanu, 2019; Tajeddini, Martin, & Altinay, 2020). The degree of social practice change affects how service innovation is perceived in the health care industry as radical, incremental, or transformative. The majority of service innovations in healthcare settings are incremental, meaning that they make minor changes to current resource integration practices rather than drastically modifying them or fully replacing them (Gustafsson et al., 2020).

Guarcello and de Vargas (2020) found a relationship between service innovation and performance in the health care industry. Similarly, Leedham-Green, Knight and Reedy (2021) study revealed a

relationship between service innovation indicators (expansion and value creation) and the performance of hospital projects. Client interface, where the service meets the client, service delivery systems - processes, people, organisation, and technology alternatives -are the four areas where service innovation can occur. Additionally, Samuelsson (2021) study indicated a nexus between service innovation and performance in healthcare

Some studies have conceptualized service innovation as a mediating variable, for instance, a study by Kankam-Kwarteng, Asante-Gyabaah and Ferkah (2022) indicated a mediating role of service innovations indicators (new services, new production processes, new marketing techniques, and new organizational or managerial structures) on the relationship between knowledge management on organizational outcomes. The dimensions of service innovation manifest as new services, new production methods, new marketing strategies, and new organisational or administrative structures (Casidy et al., 2020). Healthcare service innovation has been linked to performance using parameters like outcomes, development processes, and social practices (Gustafsson et al., 2020). Nevertheless, most research is conceptual or descriptive in nature, and often only presents case studies as examples, lacking empirical cross-sectional evidence which is a prerequisite for inference of the findings to the sector. This gap therefore necessitates this study.

Service innovation has been conceptualized using parameters such as diversification of services, technological integration, process improvement, and customer-centric services (Mahavarpour, Marvi, & Foroudi, 2023; Samuelsson, 2023). The definition by Samuelsson et al. (2019) was used since it encapsulates the processes of resource acquisition, (re)combining them and introduction of new services. Service innovation was conceptualized in this study using; Diversification of services, Technological integration, Process improvement, and Customer-centric services.

1.1.3 Government Regulations

Government regulation refers to the legal system, which includes the government's enforceable, laws, policies and regulations with which every institution and person must abide (Ali, & Osmanaj, 2020). Government regulations include laws, principles, and standards that direct economic activity and are typically upheld by enforcing violations with fines and other sanctions (Assbeihat, 2016). Government regulations also include sets of policies that govern the use of relevant

information and procedures in order to provide criteria such as integrity, accountability, availability, and confidentiality while ensuring the security and privacy of all parties involved (Yimam & Fernandez, 2016; Mohammed et al., 2016). Government regulations is seen as set laws, principles, and standards governing an institution (Assbeihat, 2016). Scholars such as Kariuki and Kariuki (2019) and Muturi (2019) used dimensions such as physical planning system, efficient legal system, monetary policy, risk assessment, control environment, communication, and monitoring of activities to operationalise government regulations as a moderating variable.

Government regulation play a key role in the healthcare industry. Healthcare regulations are necessary to ensure compliance, provide safe health care to health care seekers (Mbindyo et al., 2020). The government regulations help in promoting ethical practices through the regulatory agencies, in monitoring health practitioners and providers, providing information about industry new phenomenon, promoting safety and ensure legal compliance and quality standards (Mbindyo et al., 2020). The Health Act Report of 2017 established a single, integrated health system, coordinating the relationships between the national and county governments' health systems, and provided for the regulation of health care services, providers of health services, health products, and health technologies, among other things (The Health Act Report, 2017). The government has implemented numerous policies and regulatory organisations to operationalize the Health Act Report of 2017 in order to effectively manage the health sector. This Act acknowledges the function of health regulatory agencies established by written law and to differentiate the national government's policy-making role from the regulatory responsibility of these authorities.

The regulatory agencies maintain a safe working environment for healthcare professionals, safeguard the health and welfare of the public, and safeguard healthcare consumers from health risks (The Health Act Report, 2017). On quality health care services, the Government of Kenya exercises its powers through regulatory bodies (The Health Act Report, 2017). Health regulatory bodies in Kenya are expected to work in coordination with each other such as Professional Health Regulatory Bodies, Service Health Regulatory Bodies and Organisations with regulatory influence in Kenya. Government regulation has been conceptualized as a moderating variable by researchers like Kariuki and Kariuki (2019); Hussain, Ahmad, and Visvizi (2022). In this study government

regulations was operationalised using Law & Regulations, Professional Ethics and Professional Standards.

1.1.4 Organisational Performance

Organisational performance refers to accomplishment of given tasks measured against set standards taking into consideration accuracy cost and planned time frame of accomplishment (Palaniappan, 2017). Organisational performance is the ultimate goal of all organisations (Karisa & Wainaina, 2020). Organisational performance comprises both profit and non-profits achievement by an organisation over a period of time (Adam & Kamase, 2019). Organisational performance is measured in terms of results that is output or outcomes competitiveness, financial performance or measures in terms of determinants of the results that is quality, flexibility, innovations and resource utilization of process and activities (Adam & Kamase, 2019).

There are two types of organisational performance: financial and non-financial. To evaluate an organisation's success, financial and non-financial perspectives are commonly employed (Eccles, Ioannou, & Serafeim, 2014). Financial performance is considered as a clear indicator of a company's financial health from a variety of perspectives (Cegarra-Navarro et al., 2016). Non-financial performance measurements comprise elements that enhance organisational and financial performance with a focus on long-term success. These non-financial metrics include organisational commitment, employee satisfaction, internal business process efficiency, and consumer satisfaction (Adam, 2019). Additionally, non-financial metrics comprise of Effectiveness and Productivity (Elgazzar, Tipi, & Jones, 2019). This study focused on non-financial parameters of organisational performance. In this study organisational performance was operationalised using; Internal Business process efficiency, Customer satisfaction, Effectiveness and Productivity.

1.1.5 Faith-Based Hospitals in Kenya

Faith-based hospitals are institutions established, managed, and governed by religious institutions mainly the church (Nondo, 2018). Faith-based Hospitals have been operating in Africa since the 1900s; their work leaned towards emergency healthcare (Christian Health Association of Kenya, 2016). This mandate has evolved to include both preventive and curative health care services. Despite improvement and growth in health care space, both public and private hospitals are

challenged by the continuously expanding patient populations in terms of fundamental healthcare services (Christian Health Association of Kenya, 2016). Faith-based hospitals have become an indispensable force in the provision of quality healthcare services in Kenya and beyond (Christian Health Association of Kenya, 2016). Hospitals in Kenya are ranked in terms of level of services they offer, and they are classified as level 1, level 2, level 3, level 4, level 5 and level 6. According to Kenya master Facility list (2023), there are 971 level 4 and 5 hospitals in the country, with 115 Faith-based hospitals ranked as level 4 (98) and level 5 (17) representing 12% of the total hospitals in Kenya.

Faith-based hospitals' contributions are immense in terms of health care development, compassionate care, and human capital development among other fields contributing 35% of health care services in the country (Christian Health Association of Kenya (CHAK), 2023). Challenges to service expansion included rising labour costs, stakeholder participation, government regulation compliance, quality care demand, and the development of a right-based society (Oleribe, 2019). Faith-based hospitals continue to experience numerous cases of ineffective and inefficient health service delivery, inadequate health system strengthening measures, subpar reward system, subpar monitoring and evaluation of programs, inadequate healthcare financing and sustainability measures, and wanting grant management (Barasa et al., 2018).

The governance structure of faith-based hospitals is a crucial framework that defines the roles, responsibilities, and decision-making processes within the hospital. The top leadership roles are vested in the Board of Directors. The management structure, however vary from one hospital to another. The hospital's Chief Executive Officer (CEO) is the top executive responsible for overseeing the hospital's overall operations. He/she works closely with the board to implement the hospital's strategic vision, manage financial performance, and ensure the delivery of high-quality patient care. He/she closely manages a team comprising Chief Operating Officer (COO), Chief Medical Officer (CMO) also known as Clinical Director, Chief Nursing Officer (CNO) also known as Nursing Director, Chief Financial Officer (CFO) also known as Finance Director, Chief Information Officer (CIO), Chief Quality Officer also known as Patient Safety Director, Human Resources Director, Facilities Management Director.

1.2 Statement of the Problem

Corporate governance is a key pillar for any organisation (Hussain, Rigoni, & Orij, 2018). Over the years, the need to examine corporate policies, strategies, and practices has grown as a result of international discourses and worries about corporate scandals (Hussain et al. 2018). There has been an increased outcry from the public over the poor management and eventual collapse of numerous hospitals (Muthengi & Ragui, 2023). The majority of faith-based hospitals have not adopted sound corporate governance, putting the institutions at risk of poor performance resulting to stranded growth, decline or eventual closure (Barasa et al., 2018; Lateef & Akinsulore, 2021). Consequently, questions have been raised about the role of auditors in such failed organisations (Zahara, 2018). Inadequate internal controls, flaws in superior and restrictive systems, questionable accountability, and conflicts of interest are some of the causes of past stranded growth, decline in performance and the eventual collapse of hospitals (Muthengi & Ragui, 2023).

The appointment of the board of governance of faith-based hospitals is vested in the church leadership. This may pose a governance concern as no independent organ either within or without the church which does the vetting of the nominees (Lateef & Akinsulore, 2021). The government had adopted a conservative approach in regulating the religious sector in Kenya hence the frequent experience of periodic corporate glitches experienced in the faith-based hospitals due to undetermined and unclear accountability mechanisms. Even though there is rapid growth in health

care services within faith-based hospitals, the same growth and adaptation to change are not reflected in the governance level of these institutions (Lateef & Akinsulore, 2021). In the light of these observations from previous studies, there are obvious gaps in the existing knowledge on how sound corporate governance and impart on the management of healthcare institutions affect the general performance of faith-based hospitals (Lateef & Akinsulore, 2021).

Extant studies have yielded mixed results and inconsistencies (Muriuki, Cheruiyot & Komen, 2017; Kenga & Nzulwa, 2018; Hussain et al. 2018). For instance, studies in health care industry have found a link between corporate governance and performance (Kinyeki, Amuhaya, Mwimali, and Orwa; 2018; Brown, 2019; Marques et al., 2020) while others studies have found a negative relationship between corporate governance and performance of hospital (Afriyie et al., 2020). This points to a need for further investigations into the relationship between corporate governance and organizational performance in developing countries such as Kenya.

Conceptually, the vast majority of the study investigated the direct impact that corporate governance has on performance, whereas just a few studies investigated the impact that service innovations and regulations have on mediating and moderating the relationship. The purpose of this research is to determine the mediating and moderating effect of service innovation and government regulations. Contextually, numerous studies that have been done have concentrated on banking, manufacturing, or service industries there are limited studies on corporate governance challenges in healthcare institutions (Al-Ahdal et al., 2020; Kabeyi, 2020; Sarkar & Spieler, 2020; Benedetti, Nikbakht, Sarkar & Spieler, 2021; Afriyie et al., 2021). Furthermore, other studies have manifested methodological gaps. For instance, Sifiso and Pfano, (2022) used systematic literature review to examine the nexus between corporate governance and organizational performance.

This study is motivated by the desire to restore reliability and confidence to both health seekers and health providers by mitigating the conflict of interest and enhancing the performance of hospitals. There is also a need for an in-depth review on the existing governance practices within faith-based hospitals and suggests best practices in corporate governance, service innovation, government regulatory framework and organisational performance parameters. The study sought to answer the research question; what is the relationship between corporate governance, service innovation, government regulation and performance of faith-based hospitals in Kenya?

1.3 Objectives of the Study

The general objective of this study is to establish the effect of corporate governance, service innovation, and government regulations on organisational performance of Faith-Based Hospitals in Kenya.

1.3.1 Specific Objectives

The specific objectives of the study are:

- i. To establish the effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya.
- ii. To determine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.
- iii. To examine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.
- iv. To determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

1.4 Significance of the Study

Faith-based institutions contribute a significant portion of health care service delivery in Kenya. However, there is still need to justify their contribution by reviewing on their adherence to laid down corporate governance, government policies and the service innovation strategies and evaluate general contributions to the performance of the hospitals. The relevance of the study was examined in three folds; theory, policy and practice.

On theory, the researchers and academicians may find the Resource Dependence Theory in this study instrumental in highlighting how corporate governance can help firms accelerate and improve their performance and service delivery. The study may also be used in scaling up corporate governance in organisation by assigning a governance score to each firm, making it feasible to evaluate non-financial and economic performance using the governance score to assess

its efficacy. This study also carried out a cross-sectional analysis to assess how corporate governance and performance are related.

On policy, the findings may enable policy makers and quality assurance managers to enact highly modified policies as well as the measures to improve corporate governance, service innovation in Faith-based Hospitals that would lead to competitive advantage hence attracting and retaining more clients. The detailed research findings may be helpful to the strategic management policy makers in modifying their structures so as to enhance their medical services in their facilities. This study may contribute to best service innovation strategies and how they may play a vital role on the both stakeholders and in managing the medical facility and performance there hitherto. Through this study, Faith-based hospital in Kenya may be encouraged to comply with tax laws by adopting corporate governance standards. The study may also be instrumental in assisting stakeholders in different sectors to craft policies that would ensure transparency, responsibility, accountability and corporate governance are observed.

Finally, the study sought to fill an existing gap on the available literature on the relationship between corporate governance and organisational performance of Faith-Based Hospitals, which may be useful to future researchers. This research may also be useful to future researchers because it gives them a chance to examine prior research and identify any gaps that need to be investigated. Given the paucity of empirical research on corporate governance in Kenya, it is possible that the findings of the study will contribute to and advance the body of academic knowledge in the field of strategic management and leadership. Additionally, it is possible that the findings will increase academic literacy on effective corporate governance and provide guidance for the development of a corporate governance model that is workable. This is especially important in the context of a developing economy like Kenya. This research may create awareness in Faith-based hospitals striving to improve service delivery and governance to boost demand from general populace. The study may also help faith-based healthcare facilities vividly understand the relationship between corporate governance, service innovation, government regulations, and organisational performance, which is critical to having an unrivalled service delivery team that may enable them win the trust of stakeholders. The study outcomes may also be beneficial the researchers and add

knowledge to the existing field of academia by providing new insights for reference in future research.

1.5 Scope of the Study

The purpose of the study was to ascertain how Kenyan faith-based hospitals performed in relation to corporate governance, service innovation, and government regulations. The research focused on 115 faith-based hospitals in Kenya. This study investigated on non-financial aspects of organisational performance of faith-based hospitals in Kenya. In this study, organisational performance was tested using customer satisfaction, efficiency, productivity and growth trends as the indicators. The study population were level 4 and 5 Faith-based Hospitals (FBHs) in Kenya. According to Kenya Master Health Facility List 2023 statistics, there are 115 level 4 and 5 Faith-Based Hospitals in Kenya. The units of analysis comprised the 115 Level 4 and 5 Faith-Based Hospitals in Kenya. The study respondents included one departmental head from Administration, Finance and Clinical services departments of each Faith-based hospital. This study was conducted between January 2023 and November 2024.

1.6 Limitations of the Study

This study experienced several drawbacks. The response rate may be affected due to the busy schedule of the respondents. The researcher agreed with the respondents on their availability and a day of convenience. The researcher also arranged sessions with governing bodies of the respective FBH to help triangulate response from the management as well as help overcome this limitation. Instead of external causes, the internal operations of hospitals are the main focus of this study. The questionnaires were also left with the respondents and collected at a later day so as to improve the response rate. Some of the respondents may shy away from giving very pertinent information due to sensitive nature. The researcher overcame this limitation by assuring the respondents of anonymity and confidentiality. The respondents were informed that the study is purely for academic purpose. This study was founded on positivism philosophy and guided by the cross-sequential study which was complicated since in involved combining the longitudinal and cross-sectional research designs.

1.7 Delimitation of the Study

This study aimed at ascertaining how corporate governance, service innovation, and government regulations affect the performance of faith-based hospitals in Kenya. Prior call to the target respondents were made to arrange for a day of convenience for them to participate in the exercise. To enter the hospitals, a letter of authorization from the Management University of Africa and a research permit were used. The researcher also sought official authorization from the selected Faith- Based Hospitals to collect data from their institutions.

Performance is significantly influenced by external influences in addition to internal factors. Patient records, drug records, staff retention list, archive and retrieval policies, and economic inflation may have a more significant impact on performance than on how hospitals are regulated and monitored internally. The study focused only on faith-based hospitals in Kenya; hence the general analysis and interventions of other hospitals may present a completely different picture thus, conclusions made from this study may not necessarily apply to the public and private hospitals.

1.8 Chapter Summary

This chapter discussed the study's dimensions, background, problem statements, objectives and highlights the study's scope, significance, limitations, and delimitations. The background of the study gives a funnel foundation to the research problem highlighting the extant findings on the interactions between the variables. The problem statement highlights the need for the study giving a course of action for solving the problem.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter reviews relevant literature for this study with a more integrative focus. The chapter highlights theories that guide the study and the empirical review giving dimensions of corporate governance, service innovation, government regulations and their relation to organisational performance. It also emphasises the conceptual framework and operationalization of research variables. The summary of the literature review, knowledge gaps, and study hypotheses are also presented.

2.1 Theoretical Literature Review

The study was anchored on the Resource Dependence Theory (RDT). This theory was considered as an anchor since it explains most of the study variables. An anchor theory needs to explain at least two variables. The RDT theory was used to explain organisational performance and was complimented by the Agency theory, public interest theory and disruptive innovation theory. Corporate governance was explained by the Agency theory. The theory of disruptive innovation explained the concept of service innovation, while public interest theory explained government regulations. The anchor theory was complimented by the support theories, the assumptions and limitations of one theory was complemented by the other theories.

2.1.1 Resource Dependence Theory

The resource dependence theory was coined by Pfeffer and Salancik (1978). The theory describes how outside resources influence organisational behavior. The core principle behind Resource Dependence Theory (RDT) is that, while constrained by their circumstances, managers can take action to reduce environmental unpredictability and reliance. The theory is predicated on the idea that interactions with other people and organisations within an environment are necessary for an organisation, such a commercial firm, to obtain resources. Based on the idea that organisations are not autonomous and are dependent on others for the provision of essential resources, Resource Dependency theory, which draws from organisational theory, characterizes the organisation as an

open system (Drees & Heugens, 2013; DiMaggio, 2013; Spaulding, Zhao, Haley, Liu, Xu, & Homier, 2018). Supremacy and resource reliance are mutually exclusive in the Resource Dependency theory since resources are viewed as the foundation of positional authority (Davis & Cobb, 2010). According to the Resource Dependency Theory, companies engage in inter-organisational connections to regulate their environments and lessen their reliance on others, uncertainty, and power over others. The organisations must consistently align its internal elements with the environmental pressures.

In accordance with the Resource Dependency Theory, organisations form inter-organisational alliances to manage interdependencies, bolster their legitimacy, and regain some measure of control or autonomy over their environments (Davis & Cobb, 2010; Drees & Heugens, 2013; Vicente-Ramos et al., 2020). By putting such agreements into place, companies are able to define their boundaries at a location where they can exert the most strategic control over important external forces (Drees et al., 2013). Projects can be significantly impacted during the planning and execution phases thanks to control over critical resources and the political and financial advantages that come with it (Jiang et al., 2023).

According to Brettel and Voss (2013), the focus of resource dependency theory is on managing environmental dependencies and external resources. The effectiveness of a strategy is in its alignment to operational tactics, and vice versa, even though the theory's operational focus still supports a strategic aim that will help planning at the strategic level (Spaulding, et al., 2018). The theory has however been faulted of being weak for not explaining the direct link between the deemed necessary resources and the performance or how the resources depend on the environmental factors. The theory merely makes the assumption that important actors and the environment work together to accomplish the organization's goals. The theory addresses these flaws by helping enterprises manage the internal and external obstacles that limit their projects, build their organisational capacities, increase the capabilities of their individual managers, and form alliances with other businesses to strengthen their results. Resource Dependency Theory discusses how resources shape power relationships within the context of opportunities and needs throughout economic transformation in its dimension of technological uncertainty. The

technological uncertainty of a product is a reflection of the inadequacy of foreseeing changes to the product's technical features, the clients' technical requirements, and the changes in the future. The RDT views executive succession as a firm-level decision that helps it better adapt to the environment. Resource Dependence Theory provides a lens through which one can understand how organizations strategically manage their external dependencies to enhance performance. The application of RDT to corporate governance highlights the importance of governance structures, decision-making processes, and interorganizational relationships in managing resource dependencies and ultimately influencing organizational performance. This theory explained how performance in faith-based hospitals in Kenya can be enhanced by harmonizing their limited resources.

2.1.2 The Agency Theory

Agency theory, often referred to as the Principal-Agency theory was incepted by Jensen and Meckling (1976). This hypothesis suggests that managers' goals may be to maximise their own financial incentives rather than to follow "principals." As a result of the agency theory, there is a link between the principal and the agency. A principal establishes an agency relationship when he hires an agent to provide a service or act on his behalf (Jensen & Meckling, 1976).

Agency theory clarifies the link between principals, such as shareholders, and agents, such as the company's executives and managers (Vitolla, Raimo, & Rubino, 2020). Businesses may benefit from adequate monitoring or control methods (Dang, Houanti, & Vu, 2018). The agency theory concept emphasises the custodian role as the daily administration of the company on behalf of the owners. Furthermore, the concept argues that the audit committee's job is to supervise management and auditors in order to protect shareholders' interests (Wasdani, Vijaygopal, Manimala, & Verghese, 2021). The agency theory underlies the shareholders' model of corporate governance (CG), which is in favor of maximizing shareholders' wealth. This model prioritises the interests of the company's shareholders over the interests of all other stakeholders due to their ownership rights (Chijoke-Mgbame, Mgbame, Akintoye, & Ohalehi, 2020).

According to Agency theory, a connection exists when one party, the principle, assigns labor to a different party, the agent (Zona, Gomez-Mejia, & Withers, 2018; Herndon, 2020). Agency theory

provides a framework for linking corporate governance practices to business success (Zona et al., 2018; Wasdani et al., 2021). A study by Afriyie, Aidoo and Agboga (2021) indicate that business performance is more likely to decline if agency costs rise and vice versa. As a result of the separation, there may be a conflict of interest between management and ownership (Salehi & Moghadam, 2019; Schillemans & Bjurström, 2020). According to Sulistiyo, Wardayati, Hidayatullah, and Riesky (2020), CG has the ability to either maximise or minimise the total agency costs of an organisation. Agency theory states that the main goal of CG is to reduce the possibility of agency conflicts between the people in charge of the organisation and the people who have rights inside it. Agents can operate in their own interests and create agency issues inside the organisation; acting in the best interests of the principles is not a requirement. Moral hazard and opportunity seeking are two factors that impact corporate performance and can lead to agency difficulties.

The CG serves as a tool for improving performance by coordinating management objectives with stakeholders. It is possible to view CG as a phenomena that significantly affects predictions of economic development (Al Maqtari, Farhan, Al-Hattami & Khalid, 2020). A minority of commercial organisations in developing nations use effective corporate governance practices, which means that most do not realise how important it is to integrate CG into their work procedures and policies. Businesses that use CG may see an increase in stakeholder confidence and corporate image. For these reasons, some companies view corporate social responsibility as a fad and strive to follow it by using ethical business methods. It is important to emphasise that corporates who fully adopt and use CG are more likely to see improved key performance indicators (KPIs) for their particular organisation. Currently, corporate integrated annual reports must include CG disclosure. As per Caraiman (2020), CG functions as an internal control mechanism within a changing business environment. At the level of each activity, specific and participatory governance is required for successful CG, depending on the needs of the company.

The Corporate Governance strategy is advised by the agency theory to prevent or lessen conflict between the principal and the agent. In order to balance the interests of principals and agents, corporate governance structures and procedures are designed with agency theory in mind. By

addressing agency problems, corporations can enhance performance and create value for shareholders. Corporate governance mechanisms, such as board oversight, executive compensation, transparency, and risk management, play critical roles in mitigating agency conflicts and promoting the efficient use of resources. This theory explained how corporate governance enhances organisational performance through effective management and shareholder relationship in context of competing interest and limited resources.

2.1.3 Public Interest Theory

Public Interest theory also known as the theory of regulation was developed by Becker (1986). Public Interest theory assumes that government, as the regulator, has an independent role to play in the creation of regulations (Hashed & Almaqtari, 2021). According to the public interest theory, regulations are developed in response to social concerns about ineffective or unfair market activities (Hashed & Almaqtari, 2021). The market system makes up a significant portion of the allocation of scarce assets in a wide range of countries, especially developed ones. In some cases, it can even be demonstrated that the assignment of assets using the market system is optimum, at least in theory (Wilson, 2021).

According to the public interest theory, regulatory laws and government market intervention are remedies to market flaws and failures. The government implements regulations to regulate and keep an eye on business public interests (van der Heijden, 2022). When government regulations are put in place, citizens frequently stand to gain from business interests. When project implementer convinces regulators to maximize profits, the public interest is frequently disregarded (Wilson, 2021). The Public Interest Theory's drawback is that it prioritizes the interests of the public over those of project creators. When the interests of the project developers and the general public are not matched, this could result in losses (Wilson, 2021; van der Heijden, 2022).

Government regulations can contribute to positive performance outcomes, overly burdensome or poorly designed regulations may have unintended consequences. Balancing the interests of various stakeholders and promoting an environment that encourages responsible business practices are key considerations in the application of Public Interest Theory to government regulation and corporate performance. The association between government regulations and organisational performance as a moderating variable of the relationship between corporate governance and performance was explained by this theory.

2.1.4 Theory of Disruptive Innovation

A disruptive innovation theory promoted by Christensen (1997) proposes there are two types of innovation that occur in any industry, based on market segmentation and technology performance. Innovations can be either disruptive or long-term. Sustainability innovations aim to improve the performance of existing goods or services (Christensen, McDonald, Altman & Palmer, 2018; Sousa & Rocha, 2019). The theory is significant only when technology is applied appropriately (Christensen, et al., 2018). The disruptive innovations is usually initiated by one or multiple firms (Skog, Wimelius & Sandberg, 2018). The loss of market leadership in a variety of industries is explained by the disruptive innovation theory. Hardware, software, networks, and combination technologies are all affected by disruptive technology (Dastane, 2020). Businesses might choose to either adopt new technology or bring on more staff. In an organisation, fewer labor-related problems encourage the adoption of innovative technologies in the workplace (Millar, Lockett, & Ladd, 2018; Mansour & Nogues, 2022).

Disruptive innovation theory has faced some criticism despite having a significant impact on business. The theory's drawback is that disruptive innovation might, regrettably for workers, result in layoffs. Si and Chen (2020) questioned the validity and generalizability of the theory of disruptive innovation in the business setting, emphasising the importance of specifying the boundary conditions for the theory of disruption. In response to earlier criticisms of the disruptive technology / innovation proposals, Millar et al. (2018) acknowledged that there are many other "influencers" that go into the prediction of future success and that the theory of disruption does not fully explain everything that is known about business success.

Disruptive innovation theory is still one of the greatest tools for comprehending the dynamics of service innovation and the long-term viability of faith-based hospitals in Kenya, notwithstanding these criticisms. In light of technology and commercial disruptions, organisations must be flexible, inventive, and agile, according to the Theory of Disruptive Innovation. The organisational culture, strategy, and decision-making procedures that dictate how businesses react to disruptive influences are greatly influenced by corporate governance. Governance practices that foster a long-term orientation, alignment of incentives, expertise, and a culture of innovation contribute to improved corporate performance in the context of disruptive innovation. This theory was applied to explain the role of service innovation in the relationship.

2.2 Empirical Literature Review

The literature review discusses the elements influencing the organisational performance of faith-based hospitals in Kenya, highlighting and justifying the research study. There is a discussion of the relationship between corporate governance, service innovation, government regulations, and organisational performance.

2.2.1 Corporate Governance and Organisational Performance

Corporate governance has garnered significant attention in academic and corporate circles as a crucial component of contemporary business management (Nasrallah & El Khoury, 2022). It is commonly known that a company's financial success and general sustainability are significantly influenced by the efficacy of its corporate governance processes (Nasrallah & El Khoury, 2022). Ensuring that companies are managed effectively, morally, and in a way that serves the interests of stakeholders and shareholders is crucial. Although this relationship has been studied in great detail in rich economies, there is a rising interest in learning how it plays out in developing countries like Kenya.

Brown (2019) discovered a statistically significant association between corporate governance and healthcare quality among eight public hospitals in Australia using a comparative case study. Data were gathered through hospital governance records as well as semi-structured interviews. Thematic research revealed that board composition had a strong association with healthcare quality. However, the study had a contextual gap because it focused on a public hospital with different

governance from faith-based hospital, which reduces the generalizability of the findings. This study focused on organisational performance of Faith-Based Hospitals in Kenya.

Afriyie (2020) discovered a statistically significant relationship between corporate governance dimensions and hospital financial performance. The study looked at the association between corporate governance metrics (gender diversity, board relationships, and governance dynamics) and financial success. Data sources, both primary and secondary, were employed. Structured and unstructured questionnaires were used to gather primary data, while financial information from 125 hospitals was used to get secondary data. Additionally, the study found a negative correlation between CEO duality, board size, and financial success. Nevertheless, because financial performance was regarded as a dependent variable in the study, it brought to light a conceptual gap. This study took into account both financial and non-financial performance criteria.

A systemic review by Ndege, Mwaura-Tenambergen and Njoroge (2022) revealed a statistically significant relationship between corporate governance and performance in public hospitals. Panel data was obtained from PubMed databases from the period between January 2017 and February 2022. Data was obtained through inclusion of ten (10) public hospitals and exclusion of private hospitals. The study findings also indicated that accountability and shared strategic direction was also influenced by the corporate governance practices within the public hospitals. The study however manifested contextual gap as it focused on public hospital hence cannot be generalized to Faith-based hospital. In order to understand the relationship between corporate governance and organisational performance of faith-based hospitals in Kenya, this study assessed the effects of service innovation and government regulations as mediating and moderating variables.

Marques, da Silva, Teixeira, and Nogueira (2020) discovered a link between corporate governance and the environment in the health industry using a systematic literature review. The study reviewed 167 studies and used time series data from 2015 to 2019. The obtained data was analysed using PRISMA analysis. However, the analysis revealed a methodological deficit because it solely employed secondary qualitative data. This study was quantitative as it employed primary data. This study used cross-sectional survey approach to obtain primary data which was then analysed using SPSS version 27.

The study by Agnihotri and Arora (2021) indicated that the stakeholders in the government hospitals had a major role in corporate governance of the hospitals. The study focused on the processes and procedures as key elements of corporate governance. The study sought opinions and views of Management, Healthcare workers and the patients as the key hospital stakeholders from three government Hospitals. The objective of the study was to establish indicators of effective governance in a highly regulated health care system in an emerging country like India. The study received 582 respondents which were analyzed using logit regression. The study established that the comfort level of patients with the doctor, the ability of the doctors to address. The concern of patience, registration time in the hospital, and easy availability of the medicine improves the corporate governance of the hospital. The main contribution of the research is analyzing the health care system in an emerging market like India which is characterized by the complexity of interaction between the environment and policies related to health care. The study further recommends that the management should focus on good quality doctors and ethical issues like ease of access of services and service flow within the hospitals. The study, however, shows a contextual gap because it was conducted in just three government hospitals in India, excluding private and faith-based institutions. As a result, the findings cannot be applied to faith-based hospitals in Kenya.

According to a study by Amara (2021), corporate governance in the companies under investigation were found to be inconsistent with some OECD principles of corporate governance and to fit with them in others. The companies under investigation were listed on the Libyan stock market. A closed-ended survey was used to get the data. Due to the fact that the mediating and moderating variables were overlooked while evaluating the relationship between the independent and dependent variables, the study has a conceptual gap. This study looked at service innovation and government regulations as moderating and mediating variables.

Zaid, Wang, and Abuhijleh (2019) assessed the relationship between corporate social responsibility disclosure and corporate governance practices using panel data. 33 businesses that are listed on the Palestine Stock Exchange provided the data. This longitudinal study used OLS regression to investigate the relationship between CG and the level of CSR disclosure. While board size and independence had a favourable but statistically less significant influence on the quantity

of CSR disclosure, gender diversity had a positive but less significant effect. Content analysis was used to examine the data. Additionally, a statistically significant negative association with CEO dualism and CSR disclosures was seen in the study's findings. The study revealed a contextual gap because it focused on firms listed on the Palestine Stock Exchange and not faith-based hospitals.

Using a cross-sectional survey, Muthengi and Ragui (2023) discovered a significant connection between corporate governance components and performance. Both qualitative and quantitative data were gathered for the study using the descriptive research approach. Primary and secondary data were collected from 248 Kenyatta National Hospital employees using a census approach to select the respondents. The study obtained the questionnaire from statements from empirical reviews which was then used to collect primary data. Because the research was conducted at a public hospital, there was a contextual gap. This research focused on faith-based hospitals in Kenya. The study was a case study while this study was a survey of all level 4 and 5 faith-based hospitals in Kenya.

2.2.2 Corporate Governance, Service Innovation and Organisational Performance

Service innovation encompasses several endeavours that have the potential to enhance corporate operations and services while producing novel value propositions (Ndubisi, Dayan, Yeniaras, & Al-hawari, 2020). Service innovation typically takes the form of new services and integrated product-service packages and works as a component of a larger solution (YuSheng & Ibrahim, 2019). Products and services need to be continuously innovated; rather, they need to be created incrementally and supportively using innovative concepts. Since meeting client expectations, creating answers to their issues, and offering services that improve their quality of life are all considered aspects of service innovation (YuSheng & Ibrahim, 2019). Large organisations that recognise the value of innovation engage in more intensive innovation-related activities. Innovativeness has been found to enhance company success in several research that have looked at the link between innovation and firm performance (Khan & Naeem, 2018; Ibrahim & Yusheng, 2020). Thus, in order for service organisations to have a competitive edge, service innovation is critical (Seta, 2019). Consequently, the influence of service innovation on strategic orientation, strategic analysis, finance, and market performance is covered by the study model.

A shift in the characteristics of the service and/or in the skills of the service provider or the clients (co-creation) is referred to as service innovation (Salunke, Weerawardena, & McColl-Kennedy, 2019). Furthermore, service innovation includes a variety of forms and approaches (e.g., in the service's content, delivery procedures, or other associated activities). In order to create value from novel configurations of actors and resources, service innovation may also be seen as a change in the environment of services and as a reorganisation of the players and resources involved (Edvardsson et al., 2018; Joly et al., 2019). Businesses can profit greatly from service innovation in terms of both financial and product competitiveness (Sjödén, Parida, Kohtamäki & Wincent, 2020).

Innovation in services is constantly made possible by technological advancements. For this reason, technology has been emphasised as being essential to service innovation, particularly information and communication technology (Divisekera & Nguyen, 2018; Kroh, Luetjen, Globocnik, & Schultz, 2018). New technology-based services have the potential to benefit both service providers and consumers. Information may be shared more easily thanks to technology when it comes to internal and external knowledge (Divisekera & Nguyen, 2018; Kroh et al., 2018). Additionally, a lot of service innovations - whether explicit or implicit - require more information than product innovations do. As a result, even though the complexity of the services also raises the degree to which these technologies are implemented, there is a greater need for intensive use of information technology as service complexity rises (Kroh et al., 2018).

New technologies have an impact on both the industrial and service sectors. Artificial intelligence, robotics, augmented reality, and other forms of digital technology are major sources of service innovation because they foster changes in service content and related procedures. As a result, technology plays a key role in facilitating service innovation (Engen & Magnusson, 2018). There are two ways that front-line staff members can get involved in service innovation. They may, first and foremost, take an active role in the development and application of concepts. Secondly, they have the ability to serve as intermediaries, offering assistance to those who lack the expertise to manage an innovation operation successfully (Engen & Magnusson, 2018). Front-line staff are able to recognise requirements and preferences since they interact with clients on a regular basis (Siahtiri, 2018). They can come up with solutions to issues brought up by clients since they are

proactive agents (Mu, Bossink, & Vinig, 2018; Siahtiri, 2018). According to Mu et al. (2018), front-line staff members have a bigger impact on the degree of innovation, meaning they are better able to come up with entirely original ideas for services. But beyond only changing front-line staff, Nieves and Diaz-Meneses (2018) claim that radical innovation depends on outside variables. Consumers are a company's greatest source of ideas as they offer comments and recommendations for creating new services (Chen, Weng, & Huang, 2018).

Customer involvement in the innovation process is advantageous to the business in terms of customer happiness, loyalty, and image, as well as the financial gains made from this interaction (Diffley, McCole, & Carvajal-Trujillo, 2018; Santos-Vijande, López-Sánchez, & Pascual-Fernandez, 2018). The degree of innovation determines the impact of consumer interaction. Incremental innovation success is the consequence of democratic communication and frequent contact with customers. It's critical for radical innovation to anticipate client demands before they are made explicitly clear. Makgopa (2021) made hints about the importance of service innovation in businesses and highlighted the necessity for them to develop creative service offerings and integrate the market idea into their operations. Zhang, Zhao, Voss, and Zhu (2016) also hinted that in an environment where companies are becoming more and more service-oriented, service innovation is essential for those looking to preserve and grow their competitive edge. The production of value, which comes from innovation and boosts corporate performance, is mostly attributed to the service sector, which is seen as significant to global economic activity. Furthermore, Zhang et al. (2016) hinted that in order to produce service innovations that would meet consumers' wants and provide solutions, suppliers, workers, and customers must collaborate.

Using secondary data Samuelsson (2021) study indicated that there was a statistically significance between service innovation and internal efficiency in healthcare. The empirical review sought to identify how internal and external effectiveness of healthcare performance are impacted by technical and non-technical service innovation. The results of the study also showed a strong correlation, through consumer interaction, link between service innovation and efficiency. The studies also revealed that non-technical service innovation mediates the effect of technological innovation on organisational performance. A methodological gap was however evident in this study since the study relied on empirical reviews from extant literatures. In order to examine how

service innovation influences the link between corporate governance and organisational performance in Kenyan faith-based hospitals, a quantitative approach was used.

The study conducted by Asensio-López, Cabeza-García, and González-Álvarez (2018) utilised an empirical review to demonstrate a noteworthy correlation between corporate governance and innovation. However, the findings were inconclusive. The ownership structure, the ownership structure, and the board of directors were examined in the study as corporate governance indicators. Due to its examination of corporate innovation as a dependent variable, the study revealed a conceptual gap. The mediating variable in this study between corporate governance and organisational performance was thought to be service innovation. A methodological gap was evident since the present study used both qualitative and quantitative data, while the previous study used empirical review, the study also highlighted.

Wang and Cao (2022) study indicated a statistically significant relationship between corporate governance, financial innovation and performance in Taiwan's banking industry. The study used time series and cross-sectional data sets. Data was obtained from panel data set from year 2011 to 2019. The obtained data was analyzed using descriptive and inferential methods. The study indicated a conceptual gap since innovation was considered as an independent variable. In this study, service innovation was conceptualized as a mediating variable. Contextual gap was also evident since the study was done among banks while this study was done among faith-based hospitals. Methodological gap was also evident since the study used both time series and cross-sectional data sets while this study used cross-sectional data type.

The study by Khan, Ahmad, Abdul Halim, and Ahmad (2022) discovered a significant link between service innovation orientation and the performance of 73 private hospitals in India. The link between service innovation and performance was mediated through open innovation. It was discovered that open innovation has a good link with service innovation. The study however revealed a contextual gap since it was done among medium and small private hospitals in India hence the results cannot be replicated to the faith-based hospitals in Kenya.

Kankam-Kwarteng, Osei, Asante-Gyabaah, and Ferkah (2022) discovered that service innovation mediates the correlation between knowledge creation and marketing performance of restaurants in

Kumasi, Metropolis, using a structured questionnaire. A positive mediating effect of service innovation indicators (new services, new production processes, new marketing techniques, and new organizational or managerial structures) on performance was revealed. Mediating effect of service innovation was tested using multiple linear regression technique. The study had contextual gap since it was done in Metropolis. This study examined the role of service innovation as a mediating variable.

A longitudinal mixed methods study by Eide, Gullstett, Eide, Dugstad, McCormack and Nilsen (2022) showed a significant relationship between support trust-based service innovation and efficiency in the homecare. Using exploratory research design, both qualitative and quantitative data was from three city districts, three teams and 80 patients in Scandinavia. Trust-based service innovation was found to be effective and feasible. Methodological gap was evident since the study used longitudinal research methods. This study employed cross-sectional research method.

A study by Al Mamun et al. (2022) indicated process and product innovation can significantly influence strategic orientation and the performance of manufacturing SMEs. The study conducted among manufacturing enterprises found that process innovation significantly mediated the relationship between market, customer, and entrepreneurial strategy and SMEs success. The study, however, revealed a conceptual gap because it solely focused on process and product innovation. This study explored various dimensions of service innovation, including radical and incremental service innovations.

Using mixed methods approach, Joensuu-Salo, Kangas and Mäkipelkola (2021) study indicated a positively significant relationship between service innovation capability of the health care SMEs, technology orientation and market orientation. The research included both qualitative and quantitative data. This study revealed a conceptual gap since service innovation was considered a dependent variable. Service innovation was considered as a mediator in this study. The study was also revealed a contextual gap since the study was done among health care SMEs while this study was done among level 4 and 5 faith-based hospitals.

YuSheng and Ibrahim (2019) conducted research on the relationship between service innovation, service delivery, customer happiness, and loyalty in Ghana's banking sector. The study discovered that service innovation has a direct impact on non-financial aspects of performance using partial

least squares structural equation modelling. The data was obtained from 450 sampled customers of commercial banks. The study was done in the banking sector in Ghana; thus, its findings cannot be extrapolated to faith-based hospitals in Kenya.

Vuorio, Torkkeli, and Sainio (2020) examined the relationship between service innovation and internationalisation in SMEs using structural equation modelling and discovered a statistically significant relationship between service innovation and internationalisation and the antecedents and profitability outcomes. The study exhibited also methodological gap as data which was collected using online survey. Data for this study were gathered using a structured questionnaire.

According to Hanif and Asgher's (2018) study, multi-dimensional service innovation has a significant impact on service innovation performance. The data obtained from 35 State Bank of Pakistan (SBP) branches was analysed using bivariate correlation and regression. Data was acquired using a cross-sectional approach and a self-administered survey questionnaire. Each dimension of service innovation was found to significantly predict service innovation performance. The study exhibited contextual gap as it was carried out among banking industries hence the results cannot be generalized to faith-based hospitals. This study was carried out among faith-based hospitals.

2.2.3 Corporate Governance, Government Regulations and Organisational Performance

Dewi, Kasali, Balqiah and Widjaja, (2018) studied the role of government regulations and stakeholders' entrepreneurial orientation in achieving organisational performance of small and medium sized private hospitals in Indonesia. The study discovered that the hospital's entrepreneurial orientation was significantly influenced by the regulatory clarity and bureaucratic attitudes that support the execution of regulations. In Indonesia, information was gathered from 105 small and medium-sized private hospitals. The hospital's performance was considerably impacted both directly by the entrepreneurial mindset and indirectly through business model innovation. The study however revealed a conceptual gap since government regulations was introduced as an independent variable. Business model innovation was also considered as a mediating variable.

Hussain, Ahmad, and Visvizi (2022) investigated the relationship between government regulation and organisational performance in the health-care supply chain using a qualitative approach.

Triangulation was used in the study to look for a link between the study variables and 62 health-care supply chain variables. The findings revealed that government regulation, such as government directives and branding, had a substantial association with organisational effectiveness. However, the study revealed a conceptual gap because government regulations was considered as an independent variable.

Kariuki and Kariuki (2019) found that government regulations had a positive and statistically significant moderating effect on the link between internal control system and fraud prevention using a structural equation model (SEM). Data was collected from 33 banks in Kenya using questionnaires. Control activities, communication and monitoring of activities was however not significant in the relationship. Data was collected from the banking sectors in Kenya using structured questionnaires. The study exhibited contextual gap as it was done on the banking sector and its finding cannot be generalized in the faith-based hospitals. This study sought to examine link corporate governance and organisational performance among faith-based hospitals in Kenya.

Li, Cao, Zhang, Chen, Ren, and Zhao (2017) investigated the effect of government regulation and organisational slack in moderating the link between business environmental responsibility and financial success in the Chinese energy sector. The study's findings revealed that government regulation considerably and favourably influenced the relationship between the variables. The study's foundations were agency theory and institutional theory. Additionally, a strong correlation between company environmental responsibility and financial performance was found by the study. The study however revealed a contextual gap as the study was carried on the energy sector and its finding cannot be generalized in the health care industry.

Ordu (2021) discovered a substantial link between corporate governance practice enforcement and performance. The study employed an exploratory research approach to investigate the implementation of corporate governance practices by the 22 Nigerian banks. Using mixed methods, data was collected through in-depth interviews and focus group discussion. The study however manifested contextual gap since it focused on banks and hence can't be generalized to health care industry. This study primarily focused on faith-based hospitals in Kenya. Guluma (2021) examined the link between the measures of corporate governance and performance. Using a panel data the study revealed a positive correlation between ownership concentration and product market

competition. The findings also connected Tobin's Q (TQ) to the return on assets (ROA). It was discovered that managerial overconfidence had a negative influence on the association between operational company performance and debt financing and a positive moderating effect on the impact of debt financing on firm performance as assessed by Tobin's Q. Yet, it was shown that overconfidence among managers has a detrimental effect on ownership concentration, dual leadership, and board independence with regard to company success. The study however relied on panel data that was time series. This study relied on primary data that was collected using questionnaires.

Rasheed, Manzoor and Mustafa (2019) used secondary data to examine the effect of corporate governance on profitability. The study results indicated that the parameters of corporate governance; the board size, board remuneration and size of the firm had a statistically significant effect on profitability. The study however revealed a contextual gap since it was carried out on profitability of oil and gas sector. The current study was done to determine performance of faith-based hospitals in Kenya. The study by Neralla (2022) showed a connection between performance and corporate governance structure. Higher board size strengthens the decision-making process and has a favourable, significant influence on the ROA and Tobin's Q of the company's performance, according to study conclusions based on panel data. Additionally, the study's findings indicate that there is no statistically significant relationship between board independence and ROA, EPS, and NPM. The outcomes also showed a positive association between Tobin's Q performance indicators and board meetings, which suggests that improving corporate governance procedures is a result of these situations. Furthermore, the findings showed a negative association between the corporate governance, ROE, and NPM metrics of CEO duality. The study's findings indicated that businesses should probably put good corporate governance procedures in place, which will increase the performance of the company and reduce agency costs.

In their prospectus for the corporate governance study, Weian, Chen, Guangyao, Minna, and Qiankun (2019) found that corporate governance structure to corporate governance mechanism, corporate governance principles to corporate governance evaluation, single corporate governance to group governance, domestic corporate governance to multinational corporate governance, administrative governance to economic governance, and corporate governance to general

governance all had an impact on performance. Further, Salehi, Moradi, and Faysal (2023) research revealed that corporate governance structure has a major impact on lowering cost of equity (COE) in the context of ISIS. In addition, the authors discover that in the absence of national security in Iraq, corporate governance may be a viable substitute for COE reduction. Additionally, our research shows a negative correlation between COE and board size, meeting frequency, management ownership, and institutional ownership. Corporate governance structure was thought to be proxied by board structure (i.e., board size, independence, CEO tenure, frequency of board meetings, and CEO duality) and ownership structure (managerial ownership, institutional ownership, and state ownership).

Muturi (2019) study revealed government regulations had a moderating effect on the association between residential mortgage financing techniques and the success of 138 real estate firms in Kenya. The research was founded on resource-based perspective theory and its various configurations. The study, on the other hand, used a census technique to investigate the moderating effect of government regulations on residential mortgage finance practices and performance across Kenyan real estate enterprises. The study exhibited contextual gap as it was done on the banking sector and its finding cannot be generalized in the faith-based hospitals. Moderating effect of government regulations was tested in this study.

Using descriptive research design approach, Kinyeki, Amuhaya, Mwimali and Orwa (2018) examined effect of board size on health service delivery in Kenya. Both qualitative and quantitative data from six counties' Level 5 hospitals was used. While descriptive methods were used to examine the quantitative data, content analysis was used to analyse the qualitative data from the interview guides. It was shown that political unrest moderates the relationship between board size and the provision of health services. Conceptual gap was realized since the study conceptualized board size as the independent variable. The study considered policy framework as the moderator while this study considered government regulation as the moderating variable.

2.2.4 Corporate Governance, Service Innovation, Government Regulations and Organisational Performance

Forlines (2018) study revealed link on the role of government regulation and policy in health care markets. The study employed panel data obtained from 13070 patients' reports from hospital

outpatient medicare utilization and payment data. The study however manifested a conceptual gap since government regulation was used an independent variable. This research looked at the moderating effect of government regulations on the link between corporate governance and organisational performance of faith-based hospitals in Kenya.

Tejan-Gbla's (2018) study examined the effects of organisational size on strategic service innovation and strategic service delivery innovation as moderated by organisational size and discovered a positive and statistically significant link. Data was obtained from 250 managers in the Standard Industrial Classification Code (SIC), United States. The study however exhibited a conceptual since it focused on organisational size as a moderating variable. In this study, organisational performance of faith-based hospitals in Kenya was compared to corporate governance to determine whether government rules have a moderating effect.

Mulda (2020) study revealed a statistically significant relationship between government regulations and organisational performance. Data was obtained from maritime industry in Batam, Indonesia. The performance of organisations was also found to be significantly impacted by entrepreneurial orientation. The study exhibited conceptual gap as it considered government regulations as independent variable. Government regulations was taken into account as a moderating factor in this study's analysis of the association between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

Graafland and Bovenberg (2020) found that government regulation had a direct positive effect on the performance of SMEs using a survey method. Government regulation was found to increase rather than reduces extrinsic motivation. Data was collected from 14 CSR researchers using interview guides and analysed using both descriptive and inferential statistics. This study depicted methodological gap as the survey was done using interview schedule. To collect primary data for this project, questionnaires was used.

A study by Abdulkadir (2022) indicated a significant moderating effect of government policies and regulations on the relationship between corporate governance practices and performance. Using a correlational research design and interpretivism research philosophy, the study revealed a link between corporate governance and performance. Primary data was collected from two counties using interview guides and questionnaires which was then analyzed using both descriptive

and inferential statistics. The study however revealed a contextual gap since it was confined to performance of selected arid and semi-arid land counties. This study was conducted among faith-based hospitals in Kenya.

Using a post-positivist philosophical approach, a study by Kamau (2018) revealed a strong link between corporate governance and performance. Descriptive statistics was used to analyse data collected using structured questionnaires from financial institutions. The study used cross-sectional to realize a partial mediation effect of strategic choice on the link between corporate governance and performance. The study was however confined between financial institutions hence the results cannot be replicated to this study on faith-based hospitals. The study considered strategic choice to be a moderating variable while this study examined the moderating effect of government regulations on the relationship between corporate governance and performance of faith-based hospitals in Kenya.

In the Golestan Province, Tajpour, Hosseini, and Salamzadeh (2020) investigated how innovation components affected organizational performance. The findings of their research indicate that the success of an organization is significantly impacted by service, administrative, and technical process innovation. İncedağ and Aksoylu (2022) study revealed a correlation between corporate governance and job satisfaction. Among the individuals who were involved in this study were 568 individuals who are employed in private hospitals in Kayseri province, specifically System, Erciyes, Kızılay, Medikal Palace, and Tekden. The information was gathered throughout the months of January and March of 2020. Forms that comprise a Personal Information Form with seven questions for socio-demographic information, a Corporate Governance Scale with twenty-five questions, and a Minnesota Job Satisfaction Scale with twenty questions are included in the questionnaires. In order to analyse the data, the SPSS 25.0 programme was utilised. The Kayseri University Ethics Committee (2019-31) gave its blessing to this study project, paving the way for its implementation. On the basis of their institutional management perception levels in relation to the institution, gender, educational status, duty and working time in the institution, the institution they work for, their age, educational status, and their job satisfaction levels in relation to their duties in the institution, a noticeable and statistically significant difference was discovered among the health workers who were included in the scope of the study ($p < 0.05$).

According to Ogunnaike, Ibidunni, and Adetowubo-King (2019), there is a considerable correlation between company performance and service process innovation, service modification, and service innovation structure. According to research conducted by Ali AlShehail, Khan, and Ajmal, (2022) TQM significantly affects service innovation and sustainability performance in the public service sector in the United Arab Emirates. Furthermore, there is a partial mediation effect of service innovation in the relationship between TQM and sustainability performance.

Rusydi, Palutturi, Noor, and Pasinringi (2020) alludes that a hospital's plan should be effective, efficient, and responsible in line with strong corporate governance principles. Applying GCG principles like openness, transparency, accountability, and justice is one such approach. One of the ideas that might be used to make the hospital better is GCG. Moreover, for the organization's quality to be elevated, good governance is crucial. Accurate administration of the organisation is the overarching goal of sound corporate governance principles. The term hospital governance describes the checks and balances put in place to influence hospital decision-making (Eeckloo, & De Regge, 2023). Given recent claims that hospital governance can be ineffective, it is especially important for hospital managers and governing boards to have a firm grasp on what organisational governance entails and how it positively impacts hospital outputs and performance (Jalilvand, Raeisi, & Shaarbafchizadeh, 2024). The majority of the literature, however, has the flaw of concentrating either on the methods or the structure (such as the size and makeup of the boards). It might be worthwhile to think about both elements and how they interact. Moreover, the majority of the literature on hospital governance focuses on boards, with less emphasis on management. Nonetheless, boards and management play crucial responsibilities in tandem with one another. It is still necessary to conduct a comprehensive evaluation of hospital governance that integrates the findings about the governance of the executive management team, which has been referred to as the axis of hospital governance, and the governance of the board.

The study's findings are consistent with those of Lipunga, Tchereni, and Bakuwa (2019), who note that effective structural arrangements are necessary to support the achievement of the aim of improved health system productivity and that effective governance is a critical component of this process. Currently, there is a shortage of conceptual knowledge and useful recommendations for health governance that can be applied both at the corporate level and in a decentralised setting.

The Ministry of Health has historically combined organisational and systemic governance with service delivery. Public hospitals, for example, have been set up as independent organisations, but they have maintained an operational relationship with the health ministries. The magnitude of each function and increased conceptual understanding of the uniqueness of the health system are causing the tendency to gradually change.

A study by Kinyua and Ngari (2021) revealed a significant correlation between corporate governance and performance. Data was collected from 140 respondents using questionnaires. While content analysis was used to analyse qualitative data, descriptive statistics were used to analyse quantitative data. The results were then summarised to determine if public hospitals had implemented standards and policies that follow best practices for corporate governance. The study's findings demonstrated that while public hospitals adhered to corporate governance principles, they did not completely implement them. The results also showed that public hospitals followed government rules and laws for the most part, however they did not follow corporate governance guidelines regarding board characteristics in full.

One of the critical goals of corporate governance is to ensure process and product/service innovation, which has received widespread attention in academia as well as across sectors and nations (Bose, Khan, Rashid & Islam, 2018; Csedo, Magyari, & Zavarkó, 2022). Corporate governance and its impact on innovation have recently piqued the interest of academics, as evidenced by an increase in study in this area (Naciti, Cesaroni, & Pulejo, 2022; Sarwar, Al-Faryan, & Saeed, 2022). In general, corporate governance is important in helping organisations achieve higher goals by controlling internal risks while minimising external risks, assisting with formal decisions, ensuring sustainability, and driving innovation. Furthermore, corporate governance is critical to modern company competitiveness because it addresses both the social and institutional components of the organisation. It also has an impact on how firms create and implement their objectives, monitor and analyse risks, and optimise internal performance. Empirical data on corporate governance and organisational innovation has produced conflicting outcomes (Samlal, 2020; Alabdullah, Ahmed & Kanaan-Jebna, 2022).

The goal of corporate governance is to motivate management of organisations to act in the best interests of the owners and other stakeholders of the entity (Samlal, 2020). As defined objectives for their boards of directors and resource managers, corporate governance refers to the rules and regulations that organisations adopt and follow in order to fulfil their missions and visions (Alodat, Salleh, Hashim & Sulong, 2022). Good corporate governance encourages resource management that takes managers' stewardship of such resources into consideration (Nikolić & Zlatanović, 2018). According to Akomea-Frimpong, Tenakwah, Tenakwah and Amponsah (2022), the use of sound corporate governance procedures enhances the probability of institutions achieving their goals and objectives. A particularly intricate and multifaceted concept is corporate governance. A watchful audit committee, executive salary, ownership structure, board independence, effectiveness, and composition are some of the aspects of the corporate governance framework (Samlal, 2020).

The primary organisation for listed firms' internal governance is the board of directors. It primarily takes decisions on the day-to-day management and operations of the corporation, supervising operators on behalf of shareholders (Baum, Lööf, Stephan & Viklund-Ros, 2022). The board of directors' involvement in innovation outcomes is crucial since they have the ability to create corporate R&D partnerships through group alliances (Amore & Failla, 2020). Bigger boards of directors can facilitate the smooth advancement of the company's technological innovation activities since they possess higher degrees of knowledge, managerial expertise, and decision-making ability. Board size is important for promoting business innovation (Ma et al., 2024). Di, An, and Yao (2022) claim that corporate management staff significantly influences the decision to invest in R&D, which has an impact on the success of the company. Innovation in business technology and corporate value are inextricably linked. Wu and Yang (2023) discovered a favourable correlation between business success and the share of significant shareholders and technical innovation. Corporate performance and technical innovation are closely linked to equilibrium. Innovative technology plays a moderating role in the relationship between ownership and company performance. Di et al. (2022) claim that technological innovation completely mediates the relationship between business success and board diversity diversification.

Corporate governance provides the foundation for defining the objectives of the organisation and the means by which those objectives are attained and success is assessed (Alda, 2021). Business governance includes the relationships between business management and shareholders, which allow agents to respond to shareholders (Chemmanur & Tian, 2018). Sustaining corporate innovation requires the board of directors. In addition to serving as a source of support and aid in decision-making, the board of directors performs a crucial role as a tool for oversight and control (Sierra-Morán, Cabeza-García, González-Álvarez & Botella, 2021). The board of directors has the power to determine whether or not the organisation will be creative since, in accordance with agency theory, they are the primary internal control mechanism that oversees and governs management. The board of directors supports corporate innovation by developing concepts, strategies, and policies as well as by fostering innovation inside the organisation (Gonzales-Bustos, Hernandez-Lara & Li, 2020). A robust board of directors also aids in arranging, moderating, motivating, and training the many stakeholders in a company's relationships. As a result, it serves as a catalyst for improving an organization's capabilities, expertise, and ultimately innovation. Similarly, Alabdullah et al. (2022) assert that a strong, knowledgeable board with competent management and performance assessment is necessary for an efficient and competitive firm.

Using quantitative approach, Fahmi, Qomariah and Cahyono (2020) study revealed a link between the patient's satisfaction and service innovation. The study used Structural Equation model (SEM) to analyse data that was collected from patients. Service innovation was found to have a positive and significant effect on outpatient loyalty in Blambangan District Hospital. The study however revealed a conceptual gap since service innovation was considered as an independent variable. while the service quality was taken to be the dependent variable. The study was also done in Indonesia while the current study was done among faith-based hospitals in Kenya.

2.3 Summary of Research Gaps

The current study has reviewed the empirical literatures on the role of corporate governance, the contribution of service innovation and how government regulation controls the success and performance of an organisation. Whereas significant research has been undertaken elsewhere, little research has been undertaken in Kenya on organisational performance of Faith-Based Hospitals in Kenya. Previous empirical studies already undertaken have yielded inconclusive and mixed results

on the interactions between corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals in Kenya. In addition, majority of the studies already undertaken have focused on private and public hospitals. This study was motivated by the fact that there have been few studies on corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The summary of literature and knowledge gaps discusses the contextual, conceptual, and methodological gaps in corporate governance, service innovation, government regulations, and organisational performance of Faith-Based Hospitals in Kenya. Table 1 summarises the gaps identified throughout the literature review.

Table 1: Summary of Research Gaps

Researcher	Focus Area of study	Methodology	Key Findings	Knowledge Gap(s)	Contribution of Current Study
Ndege, Mwaura-Tenambergen and Njoroge (2022)	Influence of Corporate Governance Practices on Performance of Faith-Based Hospitals: A Systematic Review.	A empirical review	The results indicated that corporate governance influenced the accountability and strategic directions of the public hospitals.	Methodological gap-The study used empirical review approach	This study employed a cross-sectional research design
Khan, Ahmad, Abdul Halim, & Ahmad, (2022)	The Effect of Service Innovation Orientation and Open Innovation on Innovation Performance of Medium and Small Private Hospitals in India.	A Cross-Sectional Survey Approach	A significant relationship between service innovation orientation and performance was revealed.	Conceptual gap- Service innovation was used as an independent variable.	This study considered service innovation as a mediating variable.
Eide, Gullsllett, Eide, Dugstad, McCormack and Nilsen (2022)	Trust-based service innovation of municipal home care: a longitudinal mixed methods study.	A Longitudinal Mixed Method	The efficiency of the municipal homecare was influenced by the service innovation in Scandinavia.	Methodological gap -The study employed longitudinal mixed method. -Study done among homecare	This study used cross-sectional research design . Study was done among faith-based hospitals.
Kariuki and Kariuki (2019)	Moderating Effect of Government Regulations on Internal Control System and Fraud Prevention. A Case Banking Sector in Kenya	Case Study	Positive moderating effect government regulations on the relationship between internal control system and fraud prevention.	Contextual Gap -Study conducted among banks. The study employed case study design.	Positivism philosophy was used
Zelalem, Ali and Wodajo (2022)	Corporate governance and financial performance in the emerging economy:	Explanatory Research Design	The study results indicated that corporate governance measures had a significant	Financial performance was considered as the outcome.	This study introduced other parameters to

Researcher	Focus Area of study	Methodology	Key Findings	Knowledge Gap(s)	Contribution of Current Study
	The case of Ethiopian insurance companies		impact on insurance companies' financial performance	Non-financial parameters were not considered	measure performance of faith-based hospitals
Graafland and Bovenberg (2020)	Government regulation, business leaders' motivations and environmental performance of SMEs	Descriptive Design	Direct positive effect of government regulation on performance of SMEs was revealed	Study done among banks depicted methodological gap as the survey was done using interview schedule.	This study used questionnaires to obtain primary data.
Brown (2019)	Understanding corporate governance of healthcare quality: a comparative case study of eight Australian public hospitals.	A Comparative Case Study	A statistically significant relationship between corporate governance and healthcare quality among eight public hospitals was revealed	A contextual gap as it focused on public hospital	This study was conducted among faith-based hospitals in Kenya

2.4 Hypotheses of the Study

There are two types of research hypotheses: the null hypothesis, denoted as H_0 , and the alternative hypothesis, denoted as H_1 . This study adopted a null hypothesis. Null hypotheses was tested at 95% confidence level ($\alpha = 0.05$), where the observed difference is "not significant" when P - value ≥ 0.5 and "significant" when P - value < 0.5 .

H₀₁: There is no significant effect of corporate governance on organisational performance of faith-based hospital in Kenya.

H₀₂: There is no significant mediating effect of service innovation in the relationship between corporate governance and organisational performance of faith-based hospital in Kenya.

H₀₃: There is no significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya.

H₀₄: There is no significant mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

2.5 Conceptual Framework

Figure 1 depicts the relationships between variables in the conceptual framework. The independent variable is corporate governance, and the dependent variable is the organisational performance of Faith-Based Hospitals in Kenya. Service innovation is the mediating variable while the government regulations is the moderating variable in the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The framework also illustrates the potential mediated moderation effect of service innovation and government regulation on the link between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

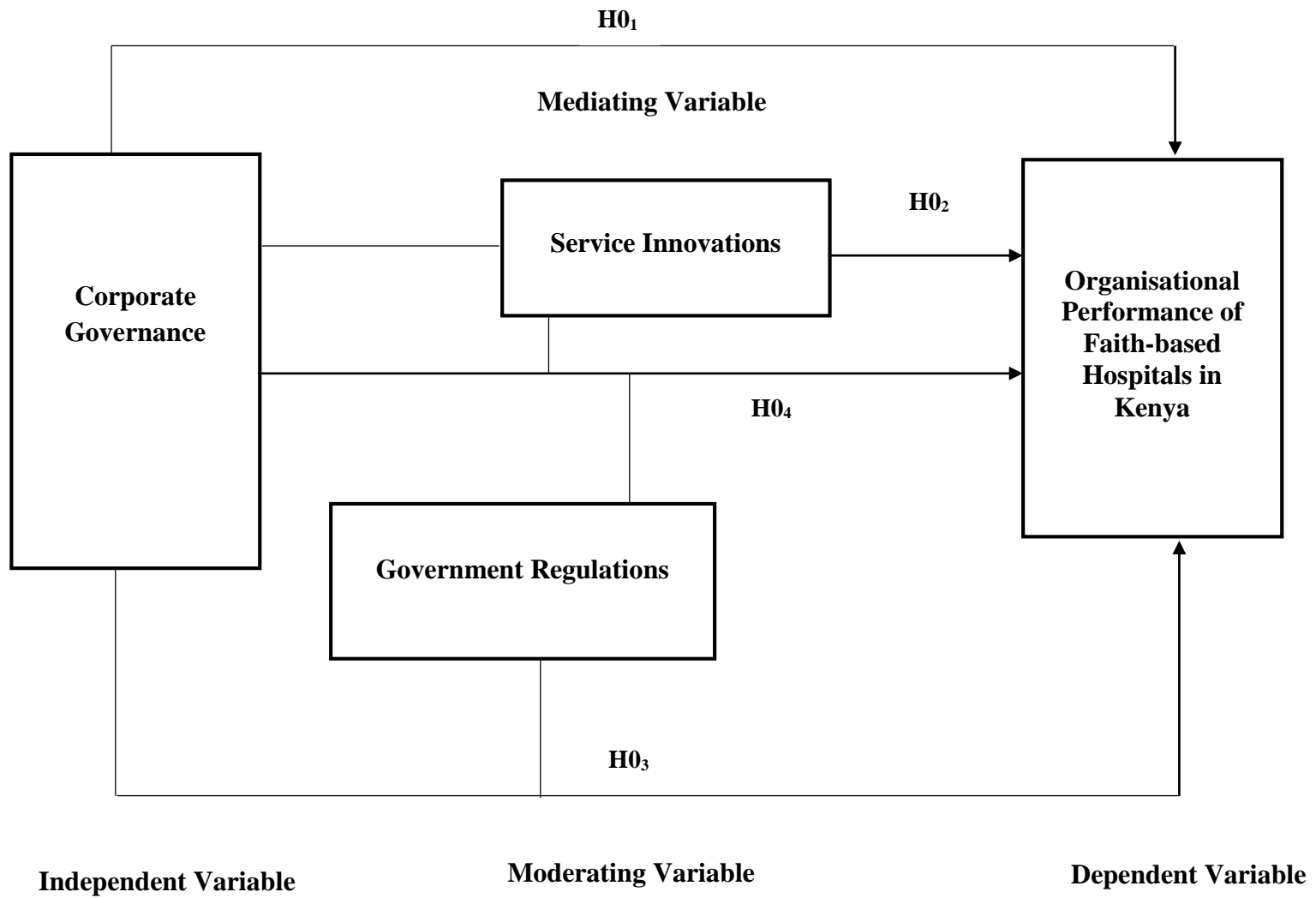


Figure 1: Conceptual Model

2.6 Operationalization of Research Variables

The operationalization of the variables was described in table 2 below. Corporate governance was an independent variable, service innovation was a mediating variable, government regulations was the moderating variable while organisational performance of Faith-Based Hospitals in Kenya was the dependent variable.

Table 2: Operationalization of Variables

Study Variables	Indicators	Measurement Scale	Question	Tools of Analysis
Corporate Governance	- Board Composition - Accountability - Transparency - Responsibility	Interval	Section B	Frequencies, percentages, Correlation & Multiple regression Analysis
Service Innovation	-Diversification of Services -Technological Integration -Process Improvement -Customer-centric Services	Interval	Section C	Frequencies, percentages, Correlation & Multiple regression Analysis
Government Regulations	- Law and Regulations - Professional Ethics - Professional Standards	Interval	Section D	Frequencies, percentages, Correlation & Multiple regression Analysis
Organisational performance of Faith-Based Hospitals	- Efficiency - Customer Satisfaction - Effectiveness - Productivity	Interval	Section E	Frequencies, percentages, Correlation & Multiple regression Analysis

2.7 Chapter Summary

The contextual, conceptual and methodological developments have been highlighted in this section on corporate governance, service innovation, government regulations and organisational

performance. An empirical discussion on the relationship between study variables has also been presented. An operationalization presentation of study variables and a conceptual framework is highlighted. The philosophical underpinnings and research methodologies follows in the next chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the approach that was employed in the research to answer the research hypotheses. The study philosophy, research design, target population, sample and sampling techniques, data collection instruments, measurement scale validity and reliability, data collection procedure, data analysis techniques, and ethical issues are all discussed in this chapter.

3.1 Research Philosophy

Research philosophy refers to the principles and ideals that guide study design, data collecting, and analysis (Bell, Bryman, & Harley, 2019). The research philosophy can be pragmatism, positivism, realism or interpretivism (Bell, Bryman, & Harley, 2019). Pragmatism is considered to be one of the significant approaches and asserts that the only data that can be considered legitimate and trustworthy is factual knowledge that has been gathered through measurements (Saunders, Lewis, & Thornhill, 2019).

In the process of analysing a research topic, pragmatism offers a fresh point of view. According to Bell, Harley and Bryman (2022), this philosophy does not position itself in either an objective or subjective perspective; rather, it accepts work that incorporates both approaches. The practical concerns that bring about an examination are the primary focus of this position, which acknowledges that a single approach is not sufficient to obtain a comprehensive understanding of the social phenomena. The realism approach holds that the mind and reality are incompatible. This technique also assumes scientific principles for knowledge development. Realism and philosophy emphasise the independence of social phenomena, making it difficult for researchers to be objective due to their own experiences, values, and views (Bell, et al., 2022; Saunders et al., 2019). Interpretivism holds that studying people and their social contexts is not comparable to studying scientific facts (Ryan, 2018). Researchers that have an interpretive paradigm seek to account for this complexity by acquiring evidence that is personally relevant to the persons they investigate (Saunders & Thornhill, 2019).

Positivism refers to a philosophy in social science that is evidence based with pure data and facts (Bell et al., 2019; Park, Konge, & Artino, 2020). Positivists base their deductions on quantitative

observations that make statistical analysis easier (Bell, et al, 2019; Bougie, Uma Sekaran & Wiley, 2020). From the perspective of the positivist philosophy, a researcher is able to think about reality as an observable phenomenon, from which accurate information can be gathered (Saunders et al., 2019). Positivism enables the testing of hypotheses, as well as the collection and analysis of evidence, in order to generate a wider spectrum of truth (Bell et al., 2019). The epistemological goal of positivist research is to find observable and quantifiable facts and regularities. They measure and monitor occurrences in order to produce data that is trustworthy and meaningful (Kirongo & Odoyo, 2020). This study employed positivism philosophy since it allows for the identification of gaps, testing of hypotheses, and knowledge inference from the observations that informs result (Nyein, Caylor, Duong, Fry, & Wildman, 2020; Park et al., 2020).

3.2 Research Design

Research design can be divided into four groups namely; cohort study, cross-sectional study, longitudinal study and cross-sequential study (Leavy, 2022). In longitudinal studies, the same variables are observed repeatedly over a length of time or a short period of time. It is often a type of observational study, although they can also be structured as longitudinal randomized experiments (Pawar, 2020). Cohort studies are a kind of longitudinal research in which a cross-section is conducted at predetermined intervals and each member of the panel has a shared trait (Pawar, 2020; Leavy, 2022). Combining longitudinal and cross-sectional research designs, cross-sequential research aims to solve some of the challenges inherent in those two methods.

This study used a cross-sectional survey research design. A cross-sectional survey design refers to an observational study that measures the study participants' exposures and outcomes simultaneously (Wang & Cheng, 2020). In cross-sectional survey design, data can be acquired more quickly and cheaply using a cross-sectional survey design than with other survey types. The cross-sectional survey makes it possible to gather primary data that aids in identifying correlations between various factors (Patten & Newhart, 2018; Shanmugam, 2020). Cross-sectional studies are observational research projects that examine demographic data collected at one particular period in time. In contrast to other kinds of observational research, cross-sectional studies don't keep track of participants across time. They are typically simple to carry out and reasonably priced. They are helpful in establishing preliminary data for organising a more in-depth investigation in the future.

This design is suitable since it is time-bound and enables for data collecting at a specific point in time. The design utilized quantitative data since it was based on numerical measurement and statistical methodologies (Creswell & Creswell, 2017; Patten & Newhart, 2018). The design enabled the researcher obtain pertinent information about how much government regulations and the service innovation influence the organisational performance of Faith-Based Hospitals in Kenya (Patten & Newhart, 2018; Kesmodel, 2018).

3.3 Target Population

The target population refers to a well-defined group of possible participants that the researcher can potentially reach and that accurately represents the characteristics of the population of interest (Ackerman et al., 2019). The study population were level 4 and 5 Faith-based Hospitals (FBHs) in Kenya. According to Kenya Master Health Facility List 2023 statistics, there are 115 level 4 and 5 Faith-Based Hospitals in Kenya. The units of analysis comprised the 115 Level 4 and 5 Faith-Based Hospitals in Kenya. According to the Kenya Master Facility List of 2023, some hospitals namely; Tenwek and Mater hospital have satellite facilities registered independently from the mother hospital. The unit of analysis refers to the specific thing that is being characterised by the collected data and is the subject of the analysis. The data's essence is in their relevance to addressing the research topic and in establishing the parameters of what is included or excluded from the study (Ritella, Rajala & Renshaw, 2020).

A hospital with satellite facilities typically refers to a main hospital that has additional smaller healthcare facilities in different locations. These satellite facilities are administratively managed under the umbrella of the host facility. Each hospital satellite is individually registered under the ministry of health. These satellite facilities are strategically placed to provide healthcare services to a broader population, particularly in areas where access to the main hospital might be limited. The target population included all registered hospitals in the Ministry of health master facility list of 2023.

Table 3: Distribution of Study Population

Population	Frequency
Faith-based Hospitals 115 (N)	
Level 4 FBHs	98
Level 5 FBHs	17
Total	115

3.4 Sample and Sampling Techniques

A census method was adopted since the population was manageable. As argued by Kothari and Garg (2014), census approach enhances the generalizability of the research findings since it eliminates both the sampling error and sampling bias in addition to providing accurate information on the sub-divisions of the population. The respondents were selected purposively based on predefined criteria. Significant practical advantages of the purposive sample strategy include cost savings and accelerated data collecting (Lohr, 2021; Turner, 2020; Latpate et al., 2021). To guarantee the least amount of subjectivity and marginal errors, however, and to enhance the representation of the entire population to a greater degree, the sampling technique must have the highest level of precision possible (Latpate et al., 2021). The study respondents included head of Administration, Finance and Clinical services departments of each Faith-based hospital summing to three (3) respondents per institution.

The researcher purposively selected Finance Director, Executive Director and Medical director who are senior officers of the hospitals and they form part of the hospital governing structure of respective hospitals and are most knowledgeable about the hospital operations and have and considered to have vast management experience.

Table 4: Population Distribution

Stratum	Frequency (N)	Computation
Faith-based Hospitals (115)		
Level 4 FBHs	98	98*3
Level 5 FBHs	17	17*3
Total	115	345

3.5 Data Collection Instruments

Primary data was used in this study. A structured questionnaire was used to obtain primary data. The structured questions were answered by respondents on a 5 (five) point Likert type scale, with responses ranging from "Strongly agree" to "Strongly disagree." Structured questions give respondents a number of options to choose from. This approach is simple to conduct, guarantee quick delivery and allows respondents to response at their own convenience. The questionnaire was divided into five sections. The demographic information of the respondents was included in Section A of the questionnaire. Section B included questions about corporate governance, while Sections C and D included service innovations and government regulations, respectively. Finally, in section E, the performance of faith-based hospitals was highlighted.

3.6 Pilot Study

Pilot study was carried out to ensure that the questionnaires are reliable and evaluate the expected outcomes. A pilot study is designed to test how well a questionnaire communicates (Malmqvist, Hellberg, Mölls, Rose, & Shevlin, 2019; Bond, 2023). A pilot test assures the researcher that the respondents understand the questions in the research tool (Dwigo, 2020).

Pilot testing, in particular, aids in identifying design and equipment flaws and provides proxies for sample selection. To obtain a pilot group, a sample of 10% of the research population was employed, as suggested by Koopman (2015), resulting in twelve faith-based hospitals at levels 4 and 5. Out of 115 level 4 and 5 faith-based hospitals, twelve hospitals were selected using random sampling. Pilot group were not be allowed to participate in the main study because they bring biased outcome and replications (Kothari & Garg, 2014; Althubaiti, 2023).

3.6.1 Validity

Validity refers to a test's ability to meaningfully measure the internal, external, construct, or discriminant variables that it is supposed to measure. External validity refers to the capacity of data to be generalised, whereas internal validity refers to a research instrument's ability to measure what it is intended to measure (Clark, & Watson, 2019). Content validity, face validity, concept validity, and criterion-related validity are the four types of validity tests (Alarcón, Sánchez, & De Olavide, 2015; Creswell & Creswell, 2017).

An instrument's construct validity is a measure of how well it is able to measure the concept for which it was developed (Creswell & Creswell, 2017). A construct validity assessment is based on evidence obtained from multiple studies that have used a certain measurement tool (Mohajan, 2017). Construct validity is further divided into convergent validity and discriminant. The degree to which results on one scale coincide with those on other scales intended to measure the same construct is known as convergent validity (Duckett, 2021). The assumption of discriminant validity is that the scale's results do not correlate with those from scales meant to measure other constructs (Duckett, 2021). Correlations were used to examine the convergent and discriminant validity of the current test, determining if the results are positively or negatively correlated with those of other previously validated tests. The association between scale scores and a particular quantifiable criterion is the subject of criterion-related validity (Burns et al., 2017).

Despite its rapid assessment of what a test measures, face validity carries some bias due to the assessors' subject matter knowledge (Mohajan, 2017). Content validity test is determined by how well it measures the construct it is intended to measure (Ryan, 2019; Lea, O'Driscoll, Coleman, & Wiles, 2021). The sample population's representativeness is critical for content validity. Content validity examined whether the assessment tool contained sufficient elements to allow inferences about the intended construct and whether the items, activities, or questions are appropriate for the particular domain being measured. Each section contained specific variables, and expert judgments and guidance from the supervisors were used to ensure that the conceptual dimensions were achieved as intended. Furthermore, the researcher ensured that the research design gave trustworthy conclusions and interpretations.

3.6.2 Reliability

The consistency with which a measurement, technique, or tool produces the same outcome throughout time is known as reliability (Revelle & Condon, 2019; Sürücü, & Maslakçi, 2020). The consistency with which a research instrument provides results or data after several trials is referred to as reliability (Corry, Porter, & McKenna, 2018). Tests for reliability include split-half, internal consistency, alternate forms, inter-rater, parallel reliability, and test-retest (Sürücü, & Maslakçi, 2020; Taylor, 2021).

Parallel reliability involves using distinct versions of an assessment to examine the same construct as opposed to the test-retest method, which requires giving the same test twice (Corry et al., 2018; Revelle & Condon, 2019). Reliability was measured with 'split-halves' and 'internal consistency' methods. To identify similarities between the two halves of the responses, split-half method was used. This was done by dividing the pilot group into two sub-sets and then administering the research tools equally among the two groups. An empirical indicator's reliability is determined by the degree to which it is consistent across multiple attempts to measure a theoretical concept. The inter-rater dependability was employed in this study in order ensure reliability. This was accomplished by distributing data collection instruments, like as questionnaires, to several senior executives of the same organisations in order to determine whether their assessments of the same constructs would yield comparable outcomes.

Cronbach's alpha, which is used to measure reliability, was also used to assess internal consistency in this study. The internal consistency technique was evaluated using Cronbach's Alpha. Cronbach's alpha measures internal consistency, or how closely related a group of things are to one another. A "high" alpha value is commonly used to demonstrate that the questions measure an underlying or hidden component (McNeish, 2018). A preset threshold of 0.7 is required to guarantee reliability (McNeish, 2018). There is a normal range of 0 to 1 for Cronbach's alpha reliability coefficient. The provided indicators were considered adequate for representing the constructs since the majority of studies have adopted the suggested threshold of 0.70 and higher.

3.7 Data Collection Procedure

Structured questionnaires were used to obtain primary data for the study. Questionnaires were preferred in this study because they are simple to conduct, guarantee quick delivery, and allow respondents to respond at their convenience. Following receipt of the University's introduction letter and the research permit from the National Commission for Science, Technology and Innovation (NACOSTI), the researcher requested permission or authorization letter from the hospital's authorities to gather data. The study adhered to research ethics by ensuring privacy and anonymity of the participant's identities. Informed consent was sought from the participants.

Using the research assistants, the researcher administered the questionnaires using the drop-and-pick-later procedure. This provided participants enough time to respond to the tools, resulting in a

high response rate. The researcher asked the respondents to complete and submit the questionnaires on time. Each respondent received only one set of the questionnaire. Follow up was done through telephone calls and visits to the hospitals in an attempt to enhance a high response rate.

3.8 Data Analysis and Presentation

Data from the questionnaires were manually cleaned by checking them for errors. This ensured there was no duplication and incomplete cases, and that the answers were formatted correctly and the outliers reviewed. Those that meet the criterion were given a code number and entered in the computer for analysis. Quantitative data was analyzed using SPSS version 29. Prior to beginning the real data analysis, the researcher did diagnostic tests to verify the normality, linearity, and multicollinearity of the data. The researcher employed Shapiro-Wilk's test, skewness, kurtosis, and P-P (probability) plots to quantitatively assess normality. This is significant because data normality is a prerequisite for many statistical tests, including analysis of variance, regression, chi-tests, t-tests, and correlation. Scatterplots and analysis of variance (ANOVA) was used to evaluate linearity, and tolerance and the variance inflation factor (VIF) used to assess multicollinearity. The relative importance of each variable on the impact of service innovation, corporate governance, and legal requirements on the organisational performance of Faith-Based Hospitals in Kenya was determined by regression analysis.

The Kolmogorov-Smirnov and Shapiro-Wilk tests were used to determine the normality of the data. A probability is normally assigned when it surpasses 0.05 (Saunders & Thornhill, 2012). In order to determine whether the error term was normal or abnormal, the Shapiro-Wilk test was used. A p-value for the Shapiro-Wilk test statistic that is greater than 0.05 (level of significance) implies that the data is normally distributed, but a p-value less than 0.05 implied non-normal data (González-Estrada, Villaseñor, & Acosta-Pech, 2022). Normality assumption was evaluated using Q-Q plots by comparing data distribution to theoretical normal distribution.

The tolerance and multicollinearity were investigated by computing the Variance Inflation Factors (VIF) and its inverse. When the predictor variables in a multiple regression analysis are strongly correlated among themselves, determining the precise percentage that each predictor contributed

to the variance of the dependent variable can be challenging. The maximum VIF threshold value for the multicollinearity assumption is 10 (Salmerón-Gómez, García-García, & García-Pérez, 2021). If the tolerance in this study ranges from 0.40 to 0.70, its reciprocal, the VIF, will be between one and two. When the data is homogeneous, all of the variances should be the same (Assaf, Tsionas, & Tasiopoulos, 2019). Variance Inflation Factor (VIF) values larger than 10 indicate the presence of multicollinearity (Komlos, 2019; Assaf et al., 2019). As collinearity increases, so does the standard error of the coefficients, which lowers the dependability of multiple regression models (Salmerón et al., 2018). The ANOVA linearity test was used to analyse the linearity of the relationships between the independent and dependent variable data.

To examine homoscedasticity, this study employed Levene's test of variance homogeneity. Levene's test verifies the assumption that all group variances are equal (i.e. the difference between the variances is zero). If the Levene statistic is significant at $\alpha = 0.05$, the data groupings lack equal variances (Dag, Dolgun, & Konar, 2018). The Levene test examines whether or not the dependent and independent variables have equal variation. Consequently, it checks to see if the variance-or range of scores-in the variables is roughly identical (Dag et al., 2018; Salmerón, García, & García, 2018). If Levene's test is significant at $p < 0.05$, the premise of variance homogeneity has been violated. This implies that the null hypothesis is incorrect and that the variances are significantly different. At $\alpha = 0.05$, the test is not significant, indicating homogeneity.

The data was also run via analytical models. The association between corporate governance and organisational performance of faith-based hospitals in Kenya was examined using multiple regression analysis. The moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospitals in Kenya was evaluated through the use of multiple regression analysis. Using both simple and multiple stepwise regression, the function of service innovation in moderating the link between corporate governance and organisational performance of Faith-Based Hospitals in Kenya was examined. To further analyze the moderating and mediating effect of government regulations and service innovation respectively on corporate governance and organisational performance, multiple stepwise regression were used respectively. Talukder, Blay-Palmer, Hipel and VanLoon (2017) consider a weighted linear aggregation rule to be the basis of a typical composite indicator.

Where:

x_i = normalised variable

w_i = weight attached to x_i

$\sum_{i=1}^n w_i = 1$ and $0 \leq w_i \leq 1, i = 1, 2, \dots, n$.

Thus, the composite variable for Corporate Governance was established using the following equation:

$$CG = \sum (w_1 P_{BC} + w_2 P_A + w_3 P_T + w_4 P_R) \dots \dots \dots (X_1)$$

Where;

CG = Composite variable for Corporate Governance

w_1, w_2, w_3, w_4 = relative weight of each aspect of the Corporate Governance variable

P_{BC}, P_A, P_T, P_R = components of the Corporate Governance variable (Board Composition, P_{BC} ; Accountability, P_A ; Transparency, P_T ; Responsibility, P_R)

The regression model adopted these forms;

Model logic: $y = f(x)$ Y is a function of X

Mathematical model: $Y = b_0 + b_1 X_1 + b_2 X_2 \dots \dots b_n X_n$

Where Y represent the dependent variable, X_1, X_2, \dots, X_n represents independent variables

3.9 Hypotheses Testing

The hypotheses were examined using a multiple regression model because they are based on a single response variable that varies linearly on a number of predictor factors.

3.9.1 Direct Effect

The effect of the independent variable (corporate governance) on the dependent variable (organisational performance of Faith-Based Hospitals in Kenya) was tested using the following empirical model.

The model for the study:

$$OP = \alpha_0 + \beta_0CG + \varepsilon \dots \dots \dots (1)$$

Where:

OP = Organisational performance of Faith-Based Hospitals in Kenya

CG = Corporate governance

α_0 = Constant

β_1 = Beta coefficients

ε = Error term

3.9.2 Moderation Model

Regression analysis (process analysis approach) as presented by Baron and Kenny (1986) was used to investigate the moderating effect of government regulations on the link between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The model predicts that the dependent variable, "OP," differs across levels of a third variable, "GR." The test involves establishing the statistical significance of the interaction term since it alters the degree and direction of the relationship between the independent and dependent variables (Busetto, Wick, & Gumbinger, 2020).

$$OP = \alpha_0 + (\beta_1CG) + \varepsilon \dots \dots \dots (2)$$

$$OP = \alpha_0 + (\beta_1CG) + (\beta_2GR) + \varepsilon \dots \dots \dots (3)$$

$$OP = \alpha_0 + \beta_1CG + \beta_2GR + (\beta_3CG*GR) + \varepsilon \dots \dots \dots (4)$$

Where:

OP = Organisational performance; CG = Corporate governance; GR = Government Regulations;
 α = constant (intercept); β =Coefficient parameters to be determined, composite* =interaction term,
 ε = Error term

3.9.3 Mediating Model

The Four Step Mediation Methodology (Baron & Kenny, 1986) was used to determine the mediating effect of service innovation on the link between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

Step1: a regression analysis of CG Predicting OP

$$OP = \alpha_0 + \beta_1 CG + \varepsilon \dots \dots \dots (5)$$

Step 2: a regression analysis of CG Predicting SI

$$SI = \alpha_0 + \beta_1 CG + \varepsilon \dots \dots \dots (6)$$

Step3: a regression analysis of SI Predicting OP:

$$OP = \alpha_0 + \beta_2 SI + \varepsilon \dots \dots \dots (7)$$

If the relationship is significant then proceed to:

Step 4: a regression analysis of CG and SI Predicting OP.

$$OP = \alpha_0 + (\beta_1 CG) + \beta_3 SI + \varepsilon \dots \dots \dots (8)$$

OP= Organisational performance of Faith-Based Hospitals in Kenya;

CG = Corporate governance,

SI = Service Innovation

β = Coefficient parameters to be determined

ε = Error term

To prove that the variables have a zero-order relationship, steps 1-3 was utilised. Situations in which one or more of the relationships are insignificant show that there is little chance for mediation (Baron & Kenny, 1986). If Steps 1 through 3 reveal substantial relationships, the process moves on to Step 4, where the mediation is supported if the impact of SI is still discernible even after CG has been taken into account. Partial mediation occurs when both CG and SI significantly predict OP, while full mediation occurs when CG is not significant when SI is controlled.

3.9.4 Mediated Moderation Model

The mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya was determined using a conditional process analysis as proposed by Hayes and Rockwood (2020).

$$CG = \alpha_0 + \beta_1 GR + \varepsilon \dots\dots\dots (9)$$

$$OP = \alpha_0 + \beta_1 CG + \beta_2 SI + \beta_3 CG * SI + \varepsilon \dots\dots\dots (10)$$

Where:

OP = Organisational performance of faith-based hospital in Kenya; CG = Corporate Governance; GR = Government Regulations; SI = Service Innovation; α_0 = constant (intercept); β =Coefficient parameters to be determined, composite* =interaction term, ε = Error/disturbance)

3.10 Analytical Models

Table 5: Objectives, Hypothesis Testing, Analysis and Model Estimation

Objectives	Hypotheses	Analytical Model	Analyses	Interpretation of Results
To establish the relationship between corporate governance and organisational performance of faith-based hospital in Kenya	There is no significant effect of corporate governance on organisational performance of faith-based hospital in Kenya.	Regression analysis $OP = \beta_0 + \beta_1 CG + \epsilon$ Where: OP = organisational performance CG = Corporate governance	Simple linear regression	R ² for goodness-of fit F-test for overall significance t-test for individual significance Marginal changes
To determine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya.	There is no significant mediating effect of service innovation in the relationship between corporate governance and organisational performance of faith-based hospital in Kenya.	Four step mediation methodology (Baron, & Kenny, 1986) Step I: $OP = \alpha + \beta_1 SI + e$ Step 2: $SI = \alpha_0 + \beta_1, CG + e$ Step 3: $OP = \alpha + \beta_2 SI + e$ If the relationship is significant, proceed to Step 4: $OP = \alpha_0 + \beta_1 CG + \beta_2 SI + e$ Where: OP = Organisational performance CG = Corporate governance SI = Service Innovation e = Error term	Multiple linear regression and Baron and Kenny's test	R ² for goodness-of fit Test i, ii & iii, If significant, move to iv. Control CG in model iv, if M becomes insignificant then there is full mediation if both are significant then there is partial mediation
To examine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya.	There is no significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya.	Regression analysis (Baron & Kenny (1986) $OP = \alpha + \beta_1 CG + e$ $OP = \alpha + \beta_1 CG + \beta_2 GR + e$ $OP = \alpha + \beta_1 CG + B_2 GR + \beta_2 CG * GR + e$ OP = Organisational performance CG = Corporate Governance GR = Government Regulations e = Error term	Multiple linear regression	R ² for goodness-of fit F-test for overall significance t-test for individual significance Marginal changes Check on R ² change if positive it means enhancing moderation

Objectives	Hypotheses	Analytical Model	Analyses	Interpretation of Results
To determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.	There is no significant mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.	Stepwise Regression Analysis: $CG = \alpha_0 + \beta_1 SI + \epsilon$ $OP = \alpha_0 + \beta_1 CG + \beta_2 SI + \beta_3 CG * GR + \epsilon$ Where; $OP =$ Organisational Performance $CG =$ Corporate governance $SI =$ Service Innovation $GR =$ Government Regulations $e =$ Error term	Multiple linear regression	R^2 for goodness-of fit F-test for overall significance t-test for individual significance Marginal changes

3.11 Ethical Considerations

The importance of ethical considerations in research cannot be overlooked. It encompasses principles that protect morality and guide during the research keeping the researcher accountable and within the convenes of ethical standards of research. Various steps were undertaken to maintain the ethical standards of research.

3.11.1 Informed Consent

The participants were entirely informed about the study, with the goal of the study made clear, giving participants confidence in the study's objectivity. This gave the participant the information they needed to decide whether or not to participate. A consent form describing the purpose of the study and assuring the confidentiality of any data to be gathered was sent to participants. Before beginning data collection, all necessary documents were obtained, including the approval to conduct the study, an introduction letter from the Management University of Africa's DML administration, and official authorization from CHAK, the Catholic Secretariat, and SUPKEM to collect data from the various hospitals. Furthermore, in order to protect respondents, the research team treated all data obtained with the highest integrity and confidentiality, and the findings were to be used solely for academic purposes. Respondents were notified that failing to participate would result in no immediate benefits or losses.

3.11.2 Voluntary Participation

The participants in the research free from any coercion. A verbal consent was obtained from all the respondents. The participants were not subjected to any pressure to continue and are free to end their participation at any time. Any participant who chose to withdraw was not be required to give explanations for such actions. An introductory statement was placed on all the research tool indicating the voluntary nature of participation.

3.11.3 Confidentiality

The participants were guaranteed that the information they so provide would be kept completely confidential. The information provided was made unavailable and inaccessible to third party other than researcher and was only to be used for data analysis in this study. Identifying information was removed from any report or publication. The wording of the reports and publications ensured no opportunity for anyone to identify participants. Additionally, pseudonyms were used to refer to the response from the participants.

3.11.4 Privacy

The participants were assured that no third parties would have access to the information and relevant permission would be sought from the participating institutions. The researcher safeguarded the privacy and security of the information acquired from the participants by restricting unauthorised parties from accessing information that contains elements that could betray the respondent's identity. Additionally, data files were properly kept and maintained. Rightful credits were given to the articles used in the research to avoid cases of plagiarism, authorship and copyrights.

3.11.5 Anonymity

Participants were assured that any information they provide would not harm them whether physical or psychological or be used for selfish, commercial or personal gains but would be meant for academic purposes. This therefore meant there was no form of pain, stress, injured self-esteem or invasion of privacy to the respondents. The participants were assured that information they provided would not be linked directly to them. Additionally, the research was premised on the ethical requirements of full disclosure, fair treatment, and privacy.

3.12 Summary

This chapter discusses the general approach that was used in this study to answer the research questions and achieve the stated study objectives. The research methodology, research design, study's target audience, respondents, data collection and instrumentation, and data gathering process are discussed. Additionally covered in this chapter are ethical issues, hypothesis testing, and piloting. The outcomes of data analysis and study are given in the following chapter.

CHAPTER FOUR

DATA ANALYSIS AND RESEARCH RESULTS

4.0 Introduction

The data analysis and study findings are presented in this chapter. The study examined the connections between organisational performance of faith-based hospitals in Kenya, service innovation, corporate governance, and government regulation. The collected data was edited, coded, classed, and tabulated. Descriptive and inferential statistics were then used to analyse the data; the findings of the demographic and pilot surveys are shown in section 4.3, while the response rate results are addressed in section 4.2. Factor analysis, diagnostic tests, validity, and reliability are all included in the section of the pilot survey. The descriptive data for organisational performance of faith-based hospitals in Kenya, service innovation, corporate governance, and compliance with government regulations are shown in Section 4.4. Correlation analysis and hypothesis testing are presented in Sections 4.5 and 4.6, respectively. The relationship between faith-based hospitals' corporate governance and organisational performance, the mediating role of service innovation in this relationship, and the moderating influence of governmental regulations on this relationship are all the subjects of hypothesis testing. The last hypothesis to be tested was on the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

4.1 Response Rate

The representativeness of the sample size was evaluated using the response rate. The reliability of the study findings is greatly dependent on the response rate. Generally speaking, a low response rate might reduce the data collection's statistical power and jeopardise the accuracy of the findings. As a result, this makes it more difficult for the researcher to extrapolate the findings to the wider target audience. Furthermore, a low response rate could point to non-response bias in the sample. In this study 309 questionnaires were administered to the level 4 and 5 Faith-Based Hospitals (FBHs) in Kenya and the response results are as shown in Table 6.

Table 6: Response Rate

Category	Administered Questionnaires	Response Rate
Returned	250	80.9%
Unreturned	59	19.1%
Total	309	100%

Results in Table 6 indicate that 250 respondents completed and returned their surveys successfully, yielding an 80.9% response rate. According to Mugenda and Mugenda (2003) and Kothari and Garg (2014), a descriptive study can be considered sufficient if the response rate is greater than 50%. Babbie (2004) places return rates of 60% or above as good, and return rates of 70% or higher as very good. Thus, 80.9% was considered very good for the study.

4.2 Demographic Characteristics of Respondents

Demographic characteristics are the attributes of the respondents. In order to determine if the participants in a study are representative samples of the target population for the sake of drawing generalisations, demographic information about the participants is provided. The demographic characteristics on which data was collected in this study included sex, age, level of education of respondents and years or duration the respondents have worked in their respective of faith-based hospitals in Kenya. The findings for each demographic feature are covered in the corresponding sections that follow.

4.2.1 Gender of Respondents

In order to determine the gender diversity of all registered hospitals on the Ministry of Health's master facility list for 2023, respondents provided data on gender. The respondents were asked to indicate their gender to establish the gender diversity in Finance Director, Executive Director and Medical Director of each Faith-based hospital. This was achieved by using the frequency of the respondents who responded to being male or female in the questionnaire. The results for gender are shown in Table 7.

Table 7: Gender of Respondents

Demographic Profiles	Frequency	Percent
Male	143	57.2
Female	107	42.8
Total	250	100.0

The results show that majority of the head of Finance Director, Executive Director and Medical director of each Faith-based hospital were male represented by 57.2% with 42.8% being female. This implied that the head of Administration, Finance and Clinical services departments of each Faith-based hospital was made up of male gender.

Because diverse boards are more likely to consider a larger range of viewpoints and solutions, gender diversity in corporate governance is associated with improved decision-making processes, innovation, and organizational performance. Diverse leadership in the faith-based hospitals may result in ethical practices and inclusive governance procedures, which might improve the hospital's standing and community confidence (Mumu et al., 2022). Because they bring a variety of experiences and perspectives to the table, diverse teams have been demonstrated to be more inventive. This could result in better patient care services, more creative approaches to healthcare problems, and community health programs that are specifically designed to meet the needs of faith-based hospitals (Wikhamn & Wikhamn, 2020).

Diversity in gender can also affect an organization's ability to comply with and react to legal requirements. This might result in stricter adherence to health standards and regulations in the healthcare industry, in part because diverse teams may be better able to anticipate and reduce the dangers associated with non-compliance. Additionally, they might interact more positively with regulatory agencies in order to promote laws that uphold the hospital's objectives and provision of services (Elmagrhi et al., 2019). Gender diversity on boards and in management teams may have a positive impact on organizational performance, according to several studies. This could lead to increased patient satisfaction, better operational efficiency, and stronger financial standing for faith-based hospitals in Kenya. According to Zhang (2020), gender-diverse leadership is frequently

linked to improved collaboration, communication, and conflict resolution, all of which support a healthy workplace culture and higher performance levels.

4.2.2 Age of Respondents

The respondents were asked to indicate their age brackets. This was achieved by providing a range of years which the respondents were asked to choose from. Table 8 presents the findings.

Table 8: Age of Head of Administration, Finance and Clinical Services Departments of Each Faith-Based Hospital

Demographic Profiles	Frequency	Percent
Less than 30	67	26.8
Between 31 to 54 years	108	43.2
More than 55 years	75	30.0
Total	250	100.0

The results indicate that 43.2% of the Finance Director, Executive Director and Medical director of Each Faith-Based Hospital were in the age bracket of between 31 to 54 years followed by more than 55 years and above who were 30.0%. Those less than 30 years and below were 26.8%. This implies that most of the managers were above middle age. Any organization's greatest asset, one that influences both the individual and collective performances of the group, is its workforce. One significant component that has been noticed is the age variety among the workforce which affect the effectiveness of the company. It benefits organizations by fostering innovation and creativity in solving issues and improving performance.

The workforce's combination of experience and inexperience helps to minimize organizational issues and gain from experienced workers for inexperience. The likelihood of mistakes in organizational decision-making is decreased by having a thorough awareness of market trends, demands, and weaknesses (Zaidi, Saif & Zaheer, 2018). Nonetheless, the extensive expertise and youthful enthusiasm of senior employees can stimulate fresh ideas within hospitals. According to Zincirkiran, Emhan, and Yasar (2019), the company should maintain a balance with regard to age.

Age diversity in the workplace has been linked to increased innovation and appropriate solutions to organizational issues. The heterogeneous environment within a company can handle quality issue solving, decision making, and such other relevant matters. Conflicts may arise from the age diversity of the workforce and generational divides, but these can be avoided by strengthening human resource practices. On the other hand, Seong and Hong (2018) stated that a company's ability to produce ideas and think imaginatively about problem-solving is one of its most valuable assets, much like the age variety of its workforce. Because they possess a variety of abilities like creativity, problem solving, sharing knowledge, and teamwork, workers of all ages provide enormous value to our enterprises. These qualities will be crucial in the varied workforce of the future. Given the significance of the subject, this study looked into the connection between employee age diversity and organizational success.

4.2.3 Level of Education

The academic qualifications that a person has earned are referred to as their education level. The frequency with which respondents responded to the questionnaire's education category allowed for the distribution of respondents by degree of education. The response on education, the respondents provided information, which is displayed in Table 9.

Table 9: Level of Education

Demographic Profiles	N	%
Bachelor's Degree	97	38.8%
Master's Degree	152	60.8%
Doctorate or PhD	1	0.4%
Total	250	100

The results show that most of the Finance Director, Executive Director and Medical director of each faith-based hospital had Master's degree represented by 60.8% followed by bachelor's degree at 38.8% and total of 0.4% had a PhD degree. Higher education levels among hospital management and personnel can result in a better awareness of corporate governance concepts, ethics, innovations, and best practices (Ramírez & Tejada, 2018). Leaders with higher levels of education are more likely to implement responsible and transparent governance procedures, which can

improve the organization's reputation and stakeholders. Critical thinking and creativity are fostered by education and are necessary for service innovation. Higher educated employees in faith-based hospitals can use their expertise to apply state-of-the-art medical technologies, enhance patient care methods, and launch new healthcare services (Ribeiro & Yücel, 2020).

Higher education gives hospital administrators and employees the ability to better comprehend and abide by complex government healthcare rules (Boadi Li & He, 2020). With appropriate and adequate academic qualifications, faith-based hospitals in Kenya will not only ensure legal adherence but also demonstrate a company's commitment to social responsibility and equality. Better corporate governance, creative service delivery, and adherence to legal requirements all work together to promote better organizational performance. Employees with higher levels of education are probably better at strategic planning, resource management, and decision-making, all of which improve faith-based hospitals' overall performance and long-term viability (Iqbal et al., 2018).

4.2.4 Duration of Service

In order to gauge the respondents' degree of expertise with management and implementation challenges inside the organisation, the research attempted to ascertain how long the respondents had worked in Level Four and Level Five faith-based hospitals. This was accomplished by utilising the frequency with which the respondents answered the questionnaire's question about years of service. The results were represented in Table 10.

Table 10: Years of Service

Demographic Profiles	N	%
Less than 1 year	29	11.6%
Between 1 and 5 years	52	20.8%
More than 5 years to 10 years	80	32%
More than 10 years	89	35.6%
Total	250	100%

The results show that majority of the Finance Director, Executive Director and Medical director each Faith-based hospital have had more than 10 years of service in the respective hospitals, representing 35.6%, followed by more than 5 to 10 years of service being 32.0%. Those with between 1 and 5 years of service were 20.7% while those with less than 1 year were 11.6%. This was an indication that Finance Director, Executive Director and Medical director of each Faith-based hospital are experienced and well versed with strategic decisions of the organisation.

More seasoned governance arrangements could result from longer service terms. Over time, Kenyan faith-based hospitals could improve ethical standards and accountability by establishing more defined roles, duties, and regulations (Shahab & Ye, 2018). Hospitals that have been in operation for a longer period of time may be more innovative since they have gathered resources and expertise (Sjödín et al., 2020). They might be in a better position to introduce innovative medical services or technology that would improve patient care. A faith-based hospital's likelihood of successfully navigating different regulatory environments increases with the length of time it has been in business. Improved adherence to governmental healthcare laws and regulations may result from this experience. Service length may have a favorable impact on an organization's effectiveness. Well-established faith-based hospitals have the potential to increase patient satisfaction and outcomes by providing high-quality healthcare services by utilizing their operational knowledge, community trust, and historical reputation (Kim & Thapa, 2018).

4.3 Results of the Pilot Survey

Before starting the study project, the research tool is first evaluated through pilot testing to determine its viability. Pilot testing the research instrument not only helps determine if the

instrument answers to the research questions as intended, but also helps offer input about how clearly the respondents understand the interview questions. A pilot test of the research's questionnaires was conducted on 36 respondents, representing 10% of the total study population. Tests for validity and reliability were part of the pilot.

4.3.1 Validity

The precision with which an instrument measures what it purports to measure is known as validity. To make sure the measuring scale actually measures the unobservable construct it is supposed to measure, a validity test is carried out. Bhattacharjee (2012) noted that theoretical or empirical methods can be used to evaluate it. The face and content validity sub-types of theoretical assessment of validity, also known as translational/content validity, are concerned with how effectively an operational measure translates or represents a theoretical entity. The study employed sphericity and Kaiser-Meyer-Olkin (KMO) for construct validity.

4.4.1.1 Content Validity

The techniques suggested by Cooper and Schindler (2014) were applied in order to attain content validity. Specifically, the existing scales from the literature were identified, a data collection instrument was created, and it was given to two experts who were conveniently chosen in each of the following areas: corporate governance, service innovation, government regulations, and organisational performance of faith-based hospitals. The survey form was modified in response to these experts in order to improve its clarity, comprehensiveness, relevance, significance, and necessary depth.

The tool was subjected to additional peer assessment, and feedback from doctorate defence forums hosted by the Management University of Africa was taken into account. Supervisors conducted a final evaluation of the data collecting tool, and their insightful suggestions were used to refine and finish the research instrument. This process was carried out to make sure that the measurement scale items accurately reflect theory, therefore measuring the study's constructs. According to Zikmund et al. (2010), the measure was deemed to have attained face validity since it was apparent to the experts that it demonstrated sufficient coverage of the idea.

4.4.1.2 Construct Validity

The degree to which a test truly measures what it purports to assess is known as construct validity. The degree to which conclusions about the constructs that underpin the operationalization of ideas and observations in a study may be drawn from the operationalization itself is known as construct validity. Due to its continued reliance on people's perceptions to assess constructs that would otherwise be challenging to quantify, this method of measurement is seen as subjective. The study employed the Sphericity test as described by Dikko (2016) and the Kaiser- Meyer- Olkin (KMO) test for construct validity.

The Kaiser-Meyer-Olkin (KMO) Test assesses if the research data are appropriate for factor analysis. Both the overall sampling efficiency of the model and the sampling efficiency for each variable are assessed by the test. The statistic shows how much of the difference between the variables might be due to common variance. The research data is more suitable for factor analysis the smaller the fraction. The test took into account each variable's average response rate. Generally speaking, a statement is considered legitimate if the KMO value is more than 0.4 and the P-value for sphericity is less than 0.05. In other words, the statement measures what it claims to measure. Results are presented in Table 11.

Table 11: KMO and Bartlett's Test for Corporate Governance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.922
Bartlett's Test of Sphericity	Approx. Chi-Square	3840.872
	Df	378
	Sig.	.000

The results indicate that the sampling adequacy for corporate governance constructs showed adequacy in the respective samples with all values showing at least 0.6 (KMO=.922, Chi-square (χ^2) = 3840.872, df=378 and sig. level=0.000) implying that the constructs under corporate governance were adequate to measure the objectives in a true and accurate perspective.

Table 12: KMO and Bartlett's Test for Service Innovation

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.909
Bartlett's Test of Sphericity	Approx. Chi-Square	3648.877
	Df	378
	Sig.	.000

The KMO and Bartlett's Test results for service innovation indicate that the sampling adequacy value is .909 which is greater than 0.6 at sig. level=0.000 which shows that the statements measuring the constructs under service innovation are adequate, accurate and true representation of the objective to be measured by the study.

Table 13: KMO and Bartlett's Test for Government Regulations

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.867
Bartlett's Test of Sphericity	Approx. Chi-Square	2223.759
	Df	190
	Sig.	.000

The results of KMO and Bartlett's Test for government regulations indicates that the constructs are adequate to measure the manifestation of government regulations (KMO=.867, Chi-square (χ^2) = 2223.759, df=190 and sig. level=0.000) hence indicating the constructs under government regulations are accurate and adequate.

Table 14: KMO and Bartlett's Test for Organisational Performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.908
Bartlett's Test of Sphericity	Approx. Chi-Square	3653.933
	Df	378
	Sig.	.000

The KMO and Bartlett's Test results shows organisational performance constructs are adequate to measure the manifestation of organisational performance (KMO=.908, Chi-square (χ^2) = 3653.933, df=378 and sig. level=0.000). This depicts that accurate and true results was obtained from the instrument after main survey.

4.3.2 Reliability Test

Reliability refers to the ability of an instrument to deliver repeatable and steady measurements. Reliability also estimates how correctly a certain variable or construct in the study is represented by the data acquired (Mugenda & Mugenda, 2003). Reliability seeks to minimize biases and inaccuracies in a study (Yin, 2014). To ensure the reliability of the study instrument, a pilot survey was carried out to test and improve the flow and clarity of the questionnaire before the actual data collection (Cooper & Schindler, 2014).

In this study, Cronbach's Alpha (Cronbach, 1951) was used to test the reliability of the proposed constructs. Known for its stability and flexibility, Cronbach's alpha is a function of internal consistency or interrelatedness of items, Tavakol and Dennick (2011) and thus was used in the study. The alpha can take any value from zero (no internal consistency) to one (complete internal consistency). Tavakol and Dennick (2011) agree that an alpha value of 0.7 should be the minimum figure of acceptability with 0.8 and above adding little to the scale of reliability.

Consequently, for this research, in line with the arguments put forth by the foregoing authors, the minimum acceptable value of alpha was set at 0.7 for a measurement scale to be considered reliable, while a measurement scale with an alpha value greater than 0.9 was considered very good (Cooper & Schindler, 2014). The results for reliability are as shown in Table 15.

Table 15: Reliability Test

Variables	Items	Cronbach Alpha	Remark
Corporate governance	28	0.923	Reliable
Service Innovation	28	0.924	Reliable
Government Regulation	20	0.857	Reliable
Organisational Performance	28	0.936	Reliable

The findings from the summarised results of the variables in Table 15 show that Cronbach's alpha for all the items were all above 0.7 indicating that the instrument was adequately reliable for measurement and therefore were acceptable. All variables were dependable and acceptable since all of them had Cronbach's alpha values above 0.7.

4.3.3 Diagnostics Tests

In order to ensure that the Classical Linear Regression Model's (CLRM) postulations are upheld and to choose which models should be investigated in the unlikely event that they are, the study carried out a variety of diagnostic tests. Thus, pre- and post-estimation tests have been carried out before executing a regression model. The normality, multicollinearity, heteroscedasticity, and linearity tests are the pre-estimation tests that were performed in this instance. These are all covered in the sections that follow.

4.4.3.1 Normality Test

A test for normality examines whether the data are accurately modeled and have a normal distribution (linear). Avioli (2012) showed that descriptive, normality, and verification tests could be assessed with the normal distribution. Singh and Masuku (2014) posit that if these tests show non-normality, then the data has either outliers, multiple modes, incorrect measuring tools, incorrect distributions, zero/infinite limits, or scanty collections (Ghasemi & Zahediasl, 2012).

For a linear model to fit, the dependent variable has to have a normal distribution. There are several tests for normalcy, such as the Anderson-Darling, Kolmogorov-Smirnov, and Shapiro-Wilk tests. The Shapiro-Wilk test, which has the highest power of all normality tests, was performed to

determine if the variables were normal. A critical value of 0.05 was used to test the hypothesis. If the probability (P) value is larger than 0.05, the hypothesis should be rejected; otherwise, it should not be rejected. Given that the study's analysis used a multiple regression model, which demands that the dependent variable's normal distribution be met, the dependent variable was thus normally distributed. The hypothesis was that;

H₀: The data is not normal in distribution

H₁: The data is normal in distribution

The results for normality are as shown in Table 16.

Table 16: Test for Normality

	Statistic	Shapiro-Wilk Df	Sig.
Corporate governance	.880	250	.000
Service Innovation	.932	250	.000
Government Regulations	.949	250	.000
Organisational Performance	.950	250	.000

Table 16 indicated that corporate governance had $p > 0.05$, service innovation had $p > 0.05$, government regulations had $p > 0.05$ and organisational performance had $p > 0.05$. since $p > 0.05$, the results confirmed that the data on each variable was normally distributed, thus, the assumption of normality was met. It therefore follows the null hypothesis that the data is not normal in distribution and hence was rejected.

4.4.3.2 Test for Multicollinearity

Multicollinearity is typically characterized by a strong correlation between the independent and dependent variables. The study used the independent average for each of the variables. Multicollinearity was tested using variance inflation factor VIF in all the analysis and it ranged from 1 to 4 which would not be a cause of concern, according to Yu, et al. (2015) who indicate that where $VIF \geq 10$ indicate presence of Multicollinearity.

A multicollinearity test was conducted using the VIF value and the variable's tolerance. Multicollinearity is absent when the Tolerance and VIF values are more than 0.2 and less than 10, respectively. Table 17 displays the multicollinearity results.

Table 17: Multicollinearity Test Using Tolerance and VIF

Collinearity Statistics		
	Tolerance	VIF
Variables		
Corporate governance	.510	1.960
Service Innovation	.417	2.400
Government Regulations	.639	1.565

From the findings in Table 17 above all the variables had tolerance values >0.2 and VIF values <10 as shown in Table 17 and thus according to Yu, et al. (2015) who indicate that where $VIF \geq 10$ indicate presence of Multicollinearity, there was no multicollinearity among the independent variables.

4.5.3.3 Test for Heteroscedasticity

When a variable's variability is uneven throughout the range of values of a second variable that predicts it, this is known as heteroscedasticity. Parameter estimates from a regression model that does not take heteroscedasticity into account would be skewed. Utilising the Breusch-Pagan/Godfrey test, heteroscedasticity was examined. To determine if the error terms in the cross-sectional data are correlated across observations, the heteroscedasticity test (Breusch-Pagan / Cook-Weisberg test) was performed (Long & Ervin, 2000).

The hypothesis was that;

H₀: Data is not Homoscedastic.

H₁: Data is Homoscedastic.

If the p-value is less than 0.05, the null hypothesis is rejected. Results are presented in Table 18.

Table 18: Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity		
Ho: Constant variance		
Variable: fitted values of Organisational Performance		
<hr/>		
chi2(1)	=	7.01
Prob > chi2	=	0.065
<hr/>		

Results in Table 18 demonstrated that the p-value was higher than 5%. As a result, the data did not exhibit heteroscedasticity, and the null hypothesis was not rejected at a threshold p value of 0.05 because the reported value was $0.065 > 0.05$.

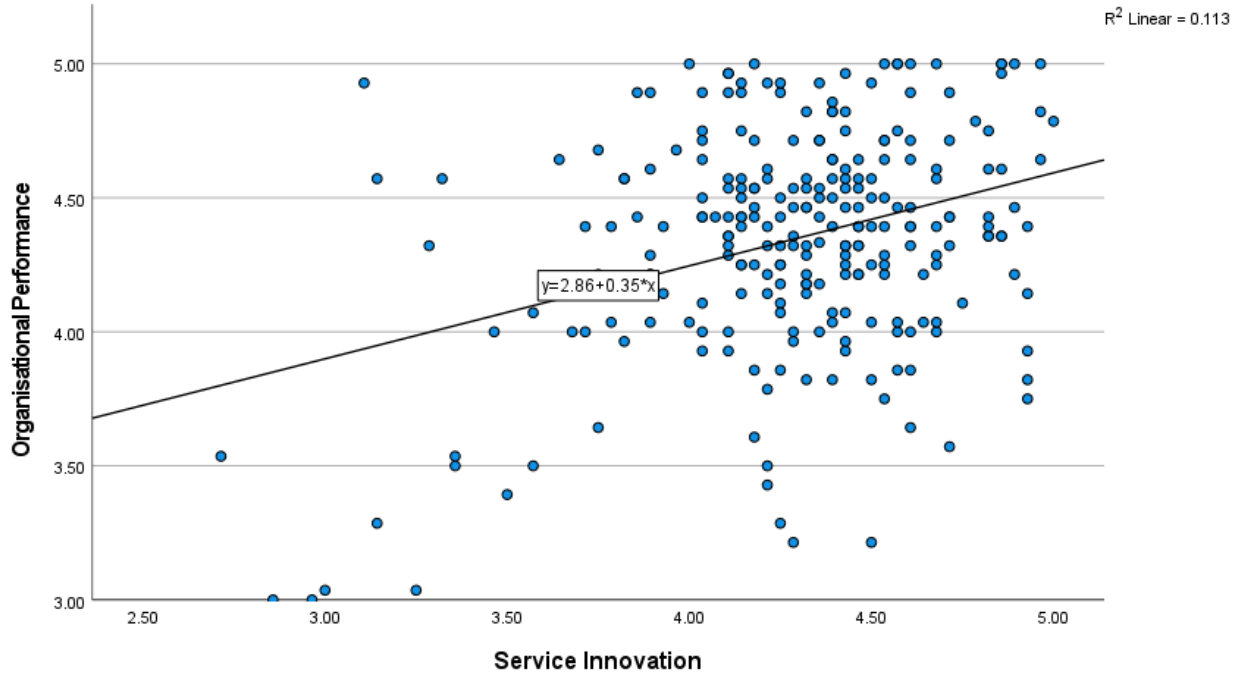
4.5.3.4 Test for Linearity

The criterion variable and the predictor variables are assumed to have a linear relationship. A scatter plot with all the independent factors plotted against the dependent variable was used to assess if a straight-line connection existed. As seen in Figure 2, every independent variable showed a straight-line association with the dependent variable.

Scatter Plot of Organisational Performance by Corporate Governance Practices



Scatter Plot of Organisational Performance by Service Innovation



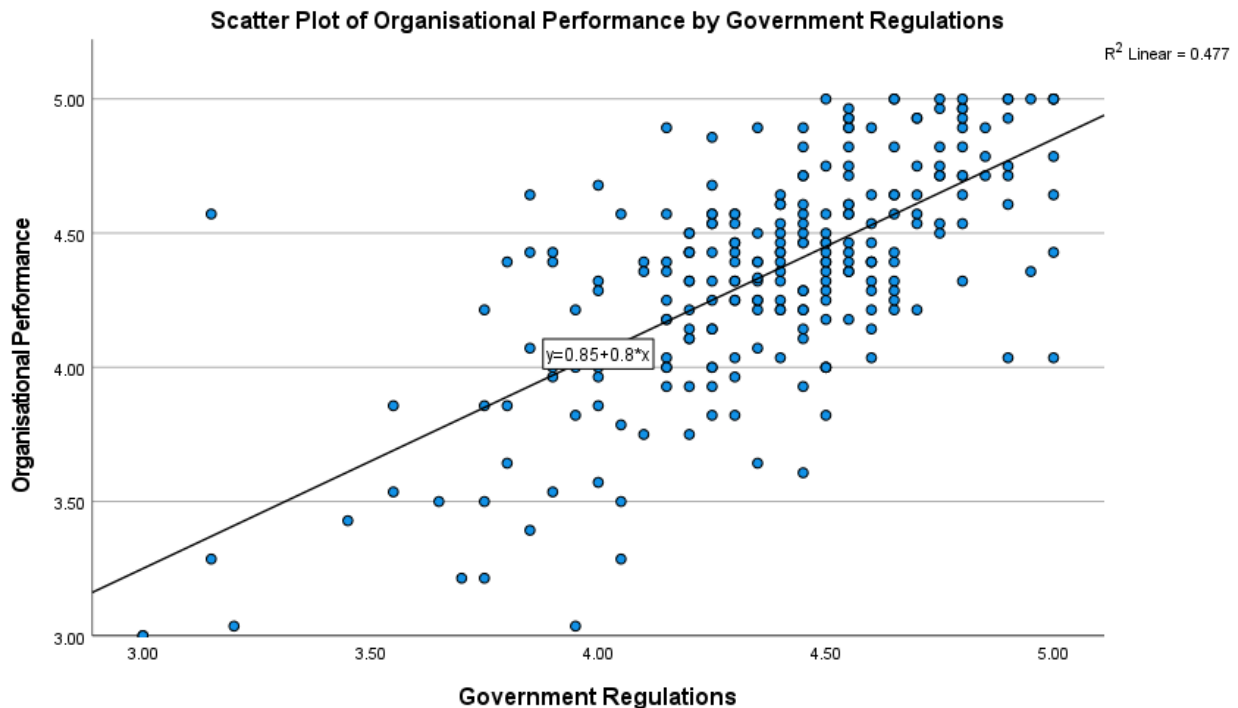


Figure 2: Linearity Tests

Figure 2 shows that the independent variables corporate governance, service innovation and government regulations depicted a straight-line relationship with the dependent variable Performance of faith-based hospitals. In addition, the R-squared showed the proportion of the variance in the dependent variable that is predictable from the independent variable(s) in a regression model. In other words, it quantifies the goodness of fit of a regression model.

4.3.4 Factor Analysis

Factor analysis is an approach that involves condensing information contained in a number of variables into a smaller set of dimensions (factors) with a minimum loss of information (Baets, 2002). Factor analysis was used to summarise vast quantities of data and quantify variables that cannot be quantified directly using dimension reduction in SPSS. According to Mabert, Soni, and Venkataramanan (2003), coefficients below 0.49 should be removed from the matrix since they are unimportant, and factor loading with Eigen values (total variance) more than 0.5 should be extracted. The purpose of it is to distill the data down to a manageable and significant subset of

variables (Sekaran & Bougie, 2016). Eigen values are crucial because they let us break down a linear process into smaller, more manageable issues. Determining the elements also aids in the analysis of the interrelationships' structure, or correlations. The factor analysis assumptions are that there are no outliers in data, no perfect multicollinearity, linearity and the data is in interval (Mabert et.al 2003) which were all met under diagnostic tests.

4.4.4.1 Factor Analysis for Corporate Governance

Factor analysis was carried out on the statements of corporate governance. This was done by subjecting the statement to dimension reduction in SPSS with a cutoff mark of 0.5 and above. The results are as shown in Table 18.

Table 18: Factor Loading for Corporate Governance

Statement	Extraction
Transparency	
Board operations are conducted in a transparent manner	0.730
Board guidelines on corporate governance are published in the hospital proxy statement	0.703
Board guidelines on the code of ethics published in the hospital's proxy statement	0.586
The hospital has operational policies in place	0.675
Hospital decisions are guided by the policies in place	0.588
The hospital encourages stakeholders to share information voluntarily.	0.644
The hospital publishes the qualifications of the Board members in the hospital proxy statement	0.635
Accountability	
The hospital always take responsibility for their actions	0.733
Decision making is done through streamlined optimal organisational structure	0.601
Acceptable accounting principles are applied in preparation of financial statements	0.729

The hospital Board has operational committee to address specific issues.	0.705
The hospital has procedures to assesses the performance of board committees	0.666
The hospital prepares annual audited financial statement	0.626
The hospital operations are aligned to its Mission	0.507
Responsibility	
Evaluates the effect of its activities on stakeholders.	0.595
Has initiated several projects for the benefit of neighboring community	0.625
Offers high quality services access	0.554
Pays its suppliers on a timely manner	0.712
Always ensures adherence to governing regulations	0.602
Board ensures adherence to ethical practices	0.548
Board conducts annual performance evaluation to its senior staff.	0.620
Board composition	
Board membership have diverse academic skill set	0.641
The hospital board has functional board sub-committees	0.543
Board members maintain independence in decision making.	0.644
Board membership has diversity	0.625
Board members have relevant expertise to add value to the hospital operations	0.676
The hospital conducts training for board members on their duties	0.544
The hospital has board self-assessment tools	0.589

Factor loading with Eigen values more than 0.5 need to be extracted, while values smaller than 0.5 ought to be disregarded (Mabert et al., 2003). All of the sub variables under corporate governance were accepted as their values were higher than 0.5.

4.4.4.2 Factor Analysis for Service Innovation

Factor analysis was carried out on the statements of service innovation. According to Tabachinick and Fidell (2007), factor loading of 0.45 as fair measure of real-life data. Table 19 shows the factor loading for service innovation.

Table 19: Factor Loading for Service Innovation

Statement	Extraction
Diversification of Services	
The hospital continuously improves the access to a variety of primary care services	0.553
The hospital has specialized healthcare clinics for addressing specific health need of our clients.	0.703
The hospital promotes participation in wellness programs offered by healthcare providers	0.736
The hospital practices home healthcare services for patient well-being.	0.671
The hospital management promotes use telemedicine services.	0.749
The hospital management introduces new specialty services can cater to specific healthcare needs within the community.	0.611
The hospital actively engages with the community through health education outreaches raising awareness about various health issues	0.562
Technological Integration	
The Hospital functional has Health Management Information System (HMIS) in place	0.709
HMIS effectively facilitates quick access of patient data.	0.683
Electronic Health Information Exchange effectively facilitates the transfer of patient data to the referral institutions.	0.758
There is a single database containing data from multiple data sources from different department in the hospital.	0.686
The hospital has systems in place to practices telemedicine consultation	0.690

The hospital makes sure that the various health programmes' subsystems are integrated.	0.656
Technical support is given by management to guarantee timely reports.	0.617
Process Improvement	
The hospital undertakes improvements in service operations aimed at operational efficiency	0.630
The hospital continually aims at improving the accuracy of diagnoses	0.613
The hospital promotes Standardization of procedures and protocols to reduce variability in patient care	0.554
Regularly harnesses innovation capabilities to fit the present innovations.	0.726
Undertakes continuous Research and Development on healthcare services	0.710
Engages innovative support service systems that leverage on the trending technology	0.661
Adopts new technologies in the healthcare service delivery	0.748
Customer-centric Services	
The hospital conducts continuous survey to understand customers' experience	0.730
The hospital leverage customer data responsibly to provide personalized patient services.	0.522
The hospital maintains open communication channels for customer feedback and inquiries.	0.684
The hospital streamlines its processes to make it easy for patients/customers to interact with.	0.553
Regularly update and improve services based on customer insights	0.547
The hospital management provide ongoing training to employees on customer service best practices.	0.568

The hospital clearly communicates the unique value of your services offer to customers.	0.557
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The outputs in Table 19 show that all the statements on service innovation had factor loading values greater than 0.5 and therefore they were accepted and thus no sub variable was dropped.

4.4.4.3 Factor Analysis for Government Regulations

Factor analysis was carried out on the statements of government regulations. According to Tabachinick and Fidell (2007), factor loading of 0.45 as fair measure of real-life data. Table 20 shows the factor loading for government regulations.

Table 20: Factor Loading for Government Regulations

Statement	Extraction
Law & Regulations	
The hospital operates within the Law	0.506
The hospital adheres to all the regulation as set out by the government	0.563
The hospital adheres to the set-out guideline as stipulated by government agencies.	0.586
Regulations inform health care decision makers in their decision-making process	0.596
Health regulation promote access to quality health care services	0.541
The hospital involves stakeholders in its policy formulation process	0.572
The hospital has adequate institutional capacity to ensure compliance with law and regulations	0.559
Professional Ethics	
The hospital adheres to the relevant professional set of rules in place	0.514
The hospital prioritizes the interest of client first	0.532

The hospital operations contribute to professional growth of employees	0.758
The hospital has operational conflict of interest policy	0.814
The hospital provides professional benefit by monitoring profession actions.	0.571
The hospital has clear framework of disciplinary ethical standards in place	0.501
Professional Standards	
Regularly reviews service delivery protocol	0.580
Enforces penalties on non-compliant professionals	0.600
Effectively standardizes service delivery protocols	0.591
Offers professional upgrade training programs to its professionals	0.601
Undertakes operational service audit on time	0.577
Management problem solving strategies are highly informed by the professional standards.	0.500
The hospital offers appropriate opportunities to support personal professional growth	0.577

The outputs in Table 20 show that all the statements on government regulations had factor loading values greater than 0.5 and therefore they were accepted and thus no sub variable was dropped.

4.4.4.4 Factor Analysis for Organisational Performance of Faith-Based Hospitals

Factor analysis was carried out on the statements of organisational performance of Faith-Based Hospitals. According to Tabachnick and Fidell (2007), factor loading of 0.45 as fair measure of real-life data. Table 21 shows the factor loading for organisational performance of Faith-Based Hospitals.

Table 21: Factor Loading for Organisational performance of Faith-Based Hospitals

Statement	Extraction
Customer Satisfaction	
The hospital has adequate medical infrastructure to offer quality client service	0.639
Clients are served timely upon arrival at the hospital	0.589
The digitalised service offers better client-service delivery	0.589
The hospital offers timely communication to the clients	0.542
The hospital offers comprehensive high-quality service	0.590
Client satisfaction enhances hospital comparative advantage	0.547
The hospital customer feedback provide basis of improving service quality	0.569
Efficiency	
The hospital regularly evaluates barriers to performance	0.640
The hospital strives to meet customers' needs	0.668
The hospital leadership align hospital strategy with customer expectation	0.658
The hospital streamlines its process to maximize available resources.	0.751
The hospital ensures optimal allocation of scarce resources.	0.565
Strategic alignment with hospital objectives enhances performance.	0.640
There is increased utilisation of clinical technologies to enhance quality service delivery	0.669
Productivity	
The hospital undertakes staff performance assessment review to assess individual performance.	0.508
The hospital has performance rewards mechanism in place.	0.617
The hospital staff have clear target to measure their productivity	0.622
The hospital uses profit as a measure of asset productivity.	0.739
The hospital has time measurement approaches to measure productivity of its employees.	0.712
The hospital prepares annual budgets that guide spending	0.590

The performance feedback data informs set priorities in the next working phase	0.517
Effectiveness	
The hospital has clear objective -focused approach as means of measuring performance effectiveness	0.598
The hospital adopts rating scale approach to maintain consistency	0.628
The hospital conducts employee satisfaction evaluations as a crucial measure of their effectiveness	0.573
There is sufficient measures or application to track hospital activities stage of implementation	0.615
There is a sufficient number of experienced personnel at the hospital to provide excellent care.	0.681
Feedback is integrated into the employees' improvement plans	0.692
The hospital has increased number of services offered to better clients' needs	0.534

The results in Table 21 show that all the statements on organizational performance had factor loading values greater than 0.5 and therefore they were accepted and thus no sub variable was dropped.

4.4 Descriptive Statistics on Corporate Governance, Service Innovation, Government Regulations and Organisational Performance of Faith-based Hospitals

Descriptive statistics were used in the study to enable indices or statistics to be used to meaningfully characterise a score or measurement distribution. The study's variables and measuring scale determine the kind of statistics or indices that are employed. Descriptive analyses of corporate governance, service innovation, government regulations, and organisational performance are included in this section. The median indicates the middle number in a group of numbers, the mean displays the average values, and the mode displays the value that is most prevalent.

4.4.1 Corporate Governance

The first objective of the study was to establish the effects of corporate governance on organisational performance of faith-based hospitals in Kenya. The descriptive present the results for corporate governance depicted in Table 22.

Table 22: Descriptive Statistics for Corporate governance

Statistics	
Corporate Governance	
N	250
Mean	4.2393
Median	4.3036
Mode	4.46
Std. Deviation	.45043
Skewness	-1.770.
Kurtosis	5.901

Table 22 presents descriptive data indicating the dispersion and central tendency of all corporate governance metrics. There were 250 responders in all for each measurement. While mean, median, and mode were used to assess central tenancy, skewness and kurtosis were used to measure data distribution. Dispersion was measured using the standard deviation. Assumptions about normality are tested using the measurements of kurtosis and skewness (Kline, 2005). According to Bai and Ng (2005), the distribution is considered severely skewed if the skewness is less than -1 or greater than 1, moderately skewed if the skewness is between -1 and -0.5 or between 0.5 and 1, and roughly symmetric if the skewness is between -0.5 and 0.5.

The findings indicate that the mean, median, and mode of corporate governance were 4.24, 4.30, and 4.46, respectively. This suggested that the majority agreed with the corporate governance statement, as indicated by the mean of 4.24. The group's members deviated from the observation's mean value of 4.24, as indicated by the standard deviation of 0.45. The corporate governance skewness was -1.770. We consequently infer that the distribution is severely skewed because the values were below -1. Kurtosis analysis revealed a corporate governance score of 5.901. As a result, since the values are more than 3, they are not platykurtic and do not exhibit a broad tail distribution or outliers.

4.4.2 Service Innovation

The second objective of the study was to determine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of faith-based hospitals in Kenya. The descriptive results for service innovation are shown in Table 23.

Table 23: Descriptive Statistics for Service Innovation

Statistics	
Service Innovation	
N	250
Mean	4.2893
Median	4.3214
Mode	4.43
Std. Deviation	.40572
Skewness	-1.092
Kurtosis	1.962

The central tendency and dispersion of all the service innovation metrics are shown by the descriptive statistics in Table 23. There were 250 responders in all for each measurement. While mean, median, and mode were used to assess central tenancy, skewness and kurtosis were used to measure data distribution. The dispersion was measured using the standard deviation. The distribution is considered strongly skewed if the skewness is less than -1 or greater than 1, moderately skewed if the skewness is between -1 and -0.5 or between 0.5 and 1, and roughly symmetric if the skewness is between -0.5 and 0.5 (Bai & Ng, 2005).

Service innovation had a mean of 4.29, a median of 4.32, and a mode of 4.43, according to the data. This suggested that the majority agreed with the claims about service innovation, as indicated by the mean of 4.29. The group's members deviated from the observation's mean value of 4.29, as indicated by the standard deviation of 0.41. The service innovation skewness was -1.092. We deduce that the distribution is strongly skewed as the values of skewness for service innovation were either larger than 1 or less than -1. According to Kurtosis statistics, service innovation scored

a 1.962. Since the values were less than 3, we may thus conclude that they were platykurtic, with a broad tail distribution and no outliers.

4.4.3 Descriptive Statistics for Government Regulations

The third objective of the study was to examine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospitals in Kenya. The descriptive results are shown in Table 24.

Table 24: Descriptive Statistics for Government Regulations

Statistics	
Government Regulations	
N	250
Mean	4.3704
Median	4.4000
Mode	4.45 ^a
Std. Deviation	.36170
Skewness	-.953
Kurtosis	1.798

The descriptive data for government regulations are displayed in Table 24. There were 250 respondents in all for each measurement. While mean, median, and mode were used to assess central tenancy, skewness and kurtosis were used to measure data distribution. Dispersion was measured using the standard deviation.

Government regulations had a mean of 4.37, a median of 4.40, and a mode of 4.45, according to the data. According to the mean of 4.37, the majority of people appeared to agree with the statement regarding government rules. The group's members deviated from the observation's mean value of 4.37, as indicated by the standard deviation of 0.36. The government regulations' skewness was -0.953. Given that the values fell within the range of -1 to -0.5, we may infer that

the distribution is roughly symmetric. Kurtosis findings indicated a 1.798 for government regulations. Since the values were less than 3, we may thus conclude that they were platykurtic, with a broad tail distribution and no outliers.

4.4.4 Organisational Performance of Faith-Based Hospitals

Descriptive statistics were conducted on organisational performance of faith-based hospitals in Kenya. The descriptive present the results for organisational performance of faith-based hospitals as shown in Table 25.

Table 25: Descriptive Statistics for Organisational Performance of Faith-Based Hospitals

Statistics	
Organisational Performance	
N	250
Mean	4.3468
Median	4.3929
Mode	4.39
Std. Deviation	.41893
Skewness	-.827
Kurtosis	.916

The descriptive data regarding the organisational performance of faith-based hospitals in Kenya are displayed in Table 25. There were 250 respondents in all for each measurement. While mean, median, and mode were used to assess central tenancy, skewness and kurtosis were used to measure data distribution. Dispersion was measured using the standard deviation.

According to the descriptive findings, organisational performance of faith-based hospitals in Kenya had a mean of 4.35, a median of 4.39, and a mode of 4.39. According to the mean of 4.35, the majority of people in Kenya agreed with the statements on the organisational performance of faith-based hospitals. The observations on the mean value of 4.35 indicated a standard deviation of 0.42.

A high standard deviation indicates that the data points are dispersed throughout a large range of values, while a standard deviation of 0.42 further suggests that the data points typically tend to be

extremely near to the data mean indicating that the distribution is more spread out unevenly. The organisational performance of faith-based hospitals in Kenya had a skewness of -0.827. We thus determine that the distribution is significantly skewed since the values were either between 0.5 and 1 or between -1 and -0.5. Kurtosis data indicated that organizational performance faith-based hospitals in Kenya had a 0.916 organisational performance. Since the values were less than 3, we may thus conclude that they were platykurtic, with a broad tail distribution and no outliers.

4.5 Relationship Between Corporate Governance, Service Innovation, Government Regulations and Organisational Performance of Faith-Based Hospitals

The relationship between the factors, corporate governance, service innovation, government regulations, and organisational performance of faith-based hospitals in Kenya was tested using correlation analysis. Using SPSS, the mean score for each variable was determined, and the Pearson's correlation was found. The correlations were performed at a significance level of 0.01 with two asterisks (*) or 0.05 with one asterisk (*). A single asterisk (*) in statistical analysis usually denotes a p-value of less than 0.05, which means that there is a statistically significant difference or association with a 95% confidence level. A result with a greater confidence level of 99% and a p-value less than 0.01, shown by two asterisks (**), is highly statistically significant. One must compare the p-value to the chosen significance level in order to assess the significance of the correlation between the variables. A 0.05 significance threshold, often known as alpha or α , is a good starting point. When an alpha of 0.05 is used, there is a 5% chance of determining that a link exists when none does. Whether or not the correlation coefficient deviates substantially from 0 is shown by the p-value. Statistical significance is achieved when the correlation coefficient is less than or equal to 0.05. Correlation is not statistically significant, but, if the p-value is higher than 0.05 or the significant threshold (Statistics Solution, 2018). The correlation results are presented in Table 26.

Table 26: Relationship Between Corporate Governance, Service Innovation, Government Regulations and Organisational performance of Faith-Based Hospitals

		Correlations			
		Corporate governance	Service Innovation	Government Regulations	Organisational Performance
Corporate governance	Pearson Correlation	1	.812**	.833**	.783**
	Sig. (2-tailed)		.000	.000	.000
	N	250	250	250	250
Service Innovation	Pearson Correlation	.812**	1	.873**	.891**
	Sig. (2-tailed)	.000		.000	.000
	N	250	250	250	250
Government Regulations	Pearson Correlation	.833**	.873**	1	.794**
	Sig. (2-tailed)	.000	.000		.000
	N	250	250	250	250
Organisational Performance	Pearson Correlation	.783**	.891**	.794**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	250	250	250	250

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

The results in Table 26 indicate that corporate governance is positively and significantly related with Organisational performance of Faith-Based Hospitals in Kenya ($r=0.783$, $p<0.05$). Service innovation is positively and significantly related Organisational performance of Faith-Based Hospitals in Kenya ($r=0.891$, $p<0.05$). Government regulations is positively and significantly related with Organisational performance of Faith-Based Hospitals in Kenya ($r=0.794$, $p<0.05$). Since the R-values were above 0.5, this is an indication that corporate governance, service

innovation and government regulations were strongly correlated with Organisational performance of Faith-Based Hospitals in Kenya.

4.6 Hypotheses Testing

The results of testing the hypotheses are shown in this section. The conceptual model's conceptualization and presentation of the study's variable relationships are explained by the hypotheses. There were four main goals of the study, and four related hypotheses. The relationship between organisational performance of faith-based hospitals in Kenya and corporate governance, as well as the moderating influence of government regulations on this relationship, are all the subject of hypothesis testing. Additionally, the mediating role of service innovation and the relationship between organisational performance of faith-based hospitals in Kenya and corporate governance are also examined. The final hypothesis examined how government regulation and service innovation mediated the connection between corporate governance and organisational performance of faith-based hospitals in Kenya. The first hypothesis was tested using simple regression model. The second, third and fourth hypotheses for mediation and moderation models respectively were tested using stepwise approach as suggested by Baron and Kenny (1986). The tests were done at 5% significance level ($\alpha = 0.05$). The evaluation focused on the hypotheses derived from the objectives of the study.

4.6.1 Corporate Governance and Organisational Performance of Faith-Based Hospitals

The study's primary goal was to determine how corporate governance affected organisational performance of faith-based hospitals in Kenya. The statistical relevance of the independent variable (corporate governance) on the dependent variable (organisational performance) in Kenyan faith-based hospitals was examined using a basic regression model. The first hypothesis, according to the null form, is that corporate governance has no significant effect on the organisational performance of faith-based hospitals. The hypothesis was tested by regressing corporate governance and organisational performance guided by the equation;

$$OP = \alpha_0 + \beta_0 CG + \varepsilon$$

Where OP = Organisational performance of Faith-Based Hospitals in Kenya, CG= corporate governance and ε

Table 27: Model Summary for Corporate governance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.611	.47443

The coefficient of determination (R Square) is .613, as shown in Table 27. According to the model, 61.3% of the variation in organisational performance of faith-based hospitals in Kenya can be explained by corporate governance. This suggests that corporate governance has a major effect on organisational performance of faith-based hospitals in Kenya.

Table 28: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	88.279	1	88.279	392.200	.000 ^b
	Residual	55.821	248	.225		
	Total	144.100	249			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Corporate governance

The Analysis of Variance (ANOVA) results are shown in Table 28. Analysis of Variance consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. This was conducted using SPSS by using average mean score of corporate governance and organisational performance of Faith-based Hospitals. The results in Table 28 indicate that $F\text{-Calculated} (1, 248) = 392.200$, $p < 0.05$. F calculated was greater than F -Critical from an F -distribution table $(1, 265) = 3.84$ at 95% confidence level. Therefore, the results confirm that the regression model of corporate governance on organisational performance of Faith-Based Hospitals is significant and valid in overall.

Table 29: Regression Coefficients for CG and OP

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.299	.095		13.680	.000
	Corporate governance	.646	.033	.783	19.804	.000

The fitted model from the result in Table 29 was;

$$OP = 1.299 + 0.646CG$$

This suggests that improved organisational performance is a result of sound corporate governance. According to H0₁, corporate governance has no significant effect on the performance of faith-based hospitals in Kenya. The study found that corporate governance significantly affects the organisational performance of faith-based hospitals in Kenya, rejecting the null hypothesis since the p-value was less than 0.05.

4.6.2 Mediating Effect of Service Innovation

The second objective of the study was to examine the mediating effect of Service innovation on the relationship between corporate governance and Organisational performance of Faith-Based Hospitals in Kenya. The null version of the second hypothesis claimed that service innovation had no significant mediation effect on the link between corporate governance and organisational performance of faith-based hospitals in Kenya. Regression analysis was used to assess the hypothesis using Baron and Kenny's (1986) four-step method. Confirmation of mediation requires the fulfilment of the following four requirements. The independent variable has to have a substantial relationship with the dependent variable in the absence of the mediating variable.

In the second requirement, there ought to be a strong connection between the mediating and independent variables. The third requirement is that the mediating variable and the dependent variable must be significantly related. The fourth requirement is that the independent variable's influence on the dependent variable should not be significant when the mediating variable's effect on the dependent variable is controlled.

Thus, corporate governance was being regressed to organisational performance in the first phase. The procedure moves on to step two if step one yields statistically significant findings. If the first

phase yields no significant findings, the procedure is terminated. In this case, it would be determined that service innovation does not act as a mediator in the link between organisational performance and corporate governance.

In the second level, corporate governance was regressed against service innovation. The procedure moves on to step 3 if the outcomes are noteworthy since the prerequisites for a mediating effect have been satisfied. In step three, the effect of service innovation on organisational performance is investigated using a simple linear regression model. There has to be a statistically significant impact of service innovation on organisational performance in order to test for the mediating effect.

Step four concluded by examining how corporate governance affects organisational performance while accounting for the influence of service innovation. For these tests, a simple linear regression analysis was employed. The effect of corporate governance on organisational performance ought to be statistically significant when service innovation is controlled. This is necessary condition in order to find presence of mediation effect. Tables 30, 31, 32 and 33 respectively shows the outcomes of the four steps.

Step One: corporate governance was regressed against organisational performance. The results are presented in Table 30.

Table 30: Regression Results from the Test of the Effect of CG on OP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.611	.47443

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	88.279	1	88.279	392.200	.000 ^b
	Residual	55.821	248	.225		
	Total	144.100	249			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Corporate Governance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.299	.095		13.680	.000
	Corporate Governance	.646	.033	.783	19.804	.000

a. Dependent Variable: Organisational Performance

Table 30 shows that corporate governance and organisational performance have a statistically significant and positive association ($R = .783$). The coefficient of determination ($R^2 = .613$) indicates that 61.3 percent of organisational performance can be explained by corporate governance. Therefore, organisational performance stays at 1.299 while corporate governance is maintained. Simultaneously, a 0.646 rise in corporate governance units will result in an improvement in the organisational performance of faith-based hospitals in Kenya. Given that the p-value is 0.00 and the F-value is 392.200, both of which are below the 0.05 level of significance, the model is statistically significant. The results validated the initial phase of investigating if Service innovation functions as a moderator in the correlation between corporate governance and organisational performance.

Step two of the mediation testing entailed evaluating the impact of corporate governance on service innovation. The results of the tests are presented in table 31.

Table 31: Regression Results from the Test of the Effect CG on SI

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.812 ^a	.659	.657	.43212

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.359	1	89.359	478.561	.000 ^b
	Residual	46.308	248	.187		
	Total	135.666	249			

a. Dependent Variable: Service Innovation

b. Predictors: (Constant), Corporate Governance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.242	.086		14.371	.000
	Corporate Governance	.650	.030	.812	21.876	.000

a. Dependent Variable: Service Innovation

The results in Table 31 demonstrate that corporate governance and service innovation are positively and statistically significantly correlated ($R = .812$). Moreover, the coefficient of variation ($R^2 = .659$) showed that 65.9% of service innovation can be explained by corporate governance. Under these conditions, organisational performance stays at 1.242 while service innovation is held constant. Simultaneously, a 0.650 rise in service innovation units will result in an increase in the organisational performance of faith-based hospitals in Kenya. Furthermore, a P-value of .00 and an F-value of 478.561 show that the model is statistically significant.

The results suggest that, in order to go on to step 3, the technique of assessing the mediating impact must be validated in the second testing phase. In Step Three, service innovation was regressed against organisational performance. The results for the step 3 are presented in Table 32.

Table 32: Regression Results from the Test of the Effect of SI on OP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 ^a	.794	.793	.34634

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.352	1	114.352	953.326	.000 ^b
	Residual	29.748	248	.120		
	Total	144.100	249			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Service Innovation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.294	.093		3.164	.002
	Service Innovation	.918	.030	.891	30.876	.000

a. Dependent Variable: Organisational Performance

According to Table 32, there is a strong correlation between service innovation and organisational performance ($R = .891$). Service innovation accounts for 79.4% of organisational performance ($R^2 = .794$), with the remaining percentage being explained by factors not included in the model. Organisational performance therefore stays at .294 while service innovation is maintained constant. Concurrently, a .918 growth in service innovation units would boost the organisational performance of faith-based hospitals in Kenya.

An F-value of 953.326 and a P-value of 0.00, both less than the 0.05 level of significance, were obtained from the model's analysis, demonstrating the statistical significance of the model. The third round of testing for a mediating effect was therefore completed, meeting the requirements, and testing moved on to step 4.

Finally, step four looked at the effect of corporate governance on organisational performance while taking into account the effect of service innovation. These tests were carried out using a basic linear regression analysis. Full mediation occurs when CG is not significant when SI is controlled; partial mediation occurs when CG and SI both significantly predict OP. The relevant results are summarised in Table 33.

Table 33: Regression Results Depicting Mediating Effect of SI on CG and OP

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.611	.47443
2	.897 ^b	.804	.802	.33814

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	88.279	1	88.279	392.200	.000 ^b
	Residual	55.821	248	.225		
	Total	144.100	249			
2	Regression	115.858	2	57.929	506.642	.000 ^c
	Residual	28.242	247	.114		
	Total	144.100	249			

a. Predictors: (Constant), Service Innovation, Corporate governance

b. Predictors: (Constant), Service Innovation, Corporate governance, Service Innovation_Corporate governance

c. Dependent Variable: Organisational Performance

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.299	.095		13.680	.000
	Corporate Governance	.646	.033	.783	19.804	.000
2	(Constant)	.340	.092		3.709	.000
	Corporate governance	.144	.040	.175	3.629	.000
	Service Innovation	.772	.050	.749	15.531	.000

a. Dependent Variable: Organisational Performance

The results in Table 33 shows that corporate governance is statistically significant when service innovation is controlled (p-value=0.000, or less than the 0.05 threshold at a 95% confidence level). According to model 2, where the variation rose from a coefficient of 0.613 to 0.804 and the p-value was .000, service innovation contributes considerably to the organisational performance. The results also show that service innovation accounts for a large portion of the variation, with the significance rising from F=392.200 in the first model to F=506.642 in the second. Due to the partial mediation effect seen, the study rejected the null hypothesis and accepted the alternative hypothesis, which states that service innovation mediates the association between corporate governance and organisational performance.

This objective was guided by the following model; $OP = \alpha + \beta_1 CG + \beta_2 SI$

Where;- OP = Organisational performance

CG= Corporate governance

SI = Service Innovation (Meditator variable controlled)

- ϵ = Error term

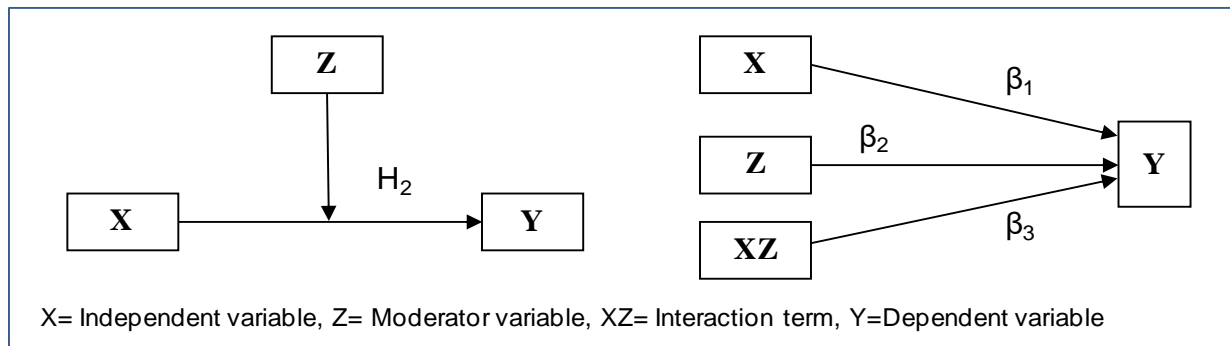
β = the beta coefficients of independent variables

After the regression analysis the model became $Y = .340 + .144CG + .772SI$

4.6.3 Moderating Effect of Government Regulations

The third objective of the study was to determine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Stepwise regression analysis was used to test the third hypothesis, which claimed that government regulations has no significant moderating influence on the association between corporate governance and organisational performance of faith-based hospitals in Kenya, was expressed in null form. The three-step moderation models developed by Baron and Kenny (1986) were used to test the hypothesis. Corporate governance (CG) is the independent variable (X), government regulations (GR) is the moderator (Z), and organisational performance (OP) is the dependent variable (Y) in the following graphical illustration of a basic moderation model.

Figure 3: Simple Moderation Model for CG, GR and OP



Where-;

H_2 = Cross-level moderation effect.

The first step included regressing corporate governance against organisational performance. Step two involved regressing government regulations against corporate governance and performance. The third phase established the concept of interaction between government regulations and corporate governance. When the interaction term's effect is statistically significant, the moderation effect is validated.

Regression coefficients, Analysis of Variance (ANOVA), and coefficient of determination (R-Square) were used to evaluate the moderating effect of government regulations and explain the findings. An interaction term - a byproduct of government regulations and corporate governance -

was included as an extra predictor in three phases and included in the hierarchical regression analysis.

Table 34: Regression Results for Model Summary for CG, GR and OP

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.611	.47443
2	.824 ^b	.679	.676	.43298
3	.917 ^c	.841	.840	.29273

a. Predictors: (Constant), Corporate governance

b. Predictors: (Constant), Corporate governance, Government Regulations

c. Predictors: (Constant), Corporate governance, Government Regulations, Corporate governance_ Government Regulations

Table 34 presents the results of a considerable improvement in the moderating effect's R squared, which increased from 0.613 to 0.841. More precisely, 61.3% of the variance in organisational performance in the first model could be attributed to corporate governance. The results showed that 67.9% of the difference in organisational performance was explained in the second stage, which correlated corporate governance and government regulations against organisational performance. After the introduction of the third step interaction term (CG*GR), the explanatory power rose to 84.1% and an enhancing moderation effect became apparent.

Table 35 displays the ANOVA findings for corporate governance, government regulations, and organisational performance.

Table 35: ANOVA

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	88.279	1	88.279	392.200	.000 ^b
	Residual	55.821	248	.225		
	Total	144.100	249			
2	Regression	97.794	2	48.897	260.820	.000 ^c
	Residual	46.306	247	.187		
	Total	144.100	249			
3	Regression	120.435	3	59.696	696.665	.000 ^d
	Residual	23.665	246	.086		
	Total	144.100	249			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Corporate governance

c. Predictors: (Constant), Corporate governance, Government Regulations

d. Predictors: (Constant), Corporate governance, Government Regulations, Corporate governance Government Regulations

The ANOVA results indicate that all the three models were significant at $p < 0.001 < 0.05$. The F-Calculated for model one was $(1, 248) = 392.200$, $p < 0.05$, which is greater than F-Critical $(2, 247)$. F-Calculated for model two was $(2, 247) = 260.820$, $p < 0.05$, which is smaller than F-Critical $(3, 246)$. F-Calculated for model three was $(3, 246) = 696.665$, $p < 0.05$, which is greater than F-Critical $(2, 247)$. Therefore, the results confirm that the regression model one, two and three are significant.

The regression of coefficients for corporate governance, government regulations and organisational performance are as shown in Table 36.

Table 36: Regression Coefficients for Moderating Effect

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.299	.095		13.680	.000
	Corporate governance	.646	.033	.783	19.804	.000
2	(Constant)	.868	.106		8.218	.001
	Corporate governance	.116	.111	.122	6.078	.000
	Government Regulations	.654	.108	.707	15.531	.001
3	(Constant)	.237	.079		2.996	.000

Corporate governance	.596	.028	.632	21.518	.000
Government Regulations	.348	.025	.403	6.145	.000
Corporate governance_ Government Regulations	.695	.051	.679	15.735	.000

a. Dependent Variable: Organisational Performance

The first phase of the regression model of organisational performance against corporate governance was significant, according to the regression of coefficients findings ($t = 19.804$, $p < 0.05$). In the second stage, the findings demonstrate the significance of the regression model of organisational performance on government regulations and corporate governance in Kenya ($t = 6.078$, $p < 0.05$; $t = 15.531$, $p < 0.05$) with $\beta_1 = 0.181$, $p = 0.000 < 0.05$ and $\beta_2 = 0.789$, $p = 0.000 < 0.05$. When the interaction term was added in step three, the findings indicate that it was significant ($t = 13.735$, $p < 0.05$), which meant that an enhanced moderation impact was evident. This demonstrated that the connection between corporate governance and organisational performance of faith-based hospitals in Kenya is significantly moderated by government regulations. The hypothesis that government regulations has no significant moderating influence on the link between corporate governance and organisational performance of faith-based hospitals in Kenya was hence rejected since the interaction term was significant.

The fitted models were:

$$\text{Model 1: } OP = 1.299 + 0.646CG$$

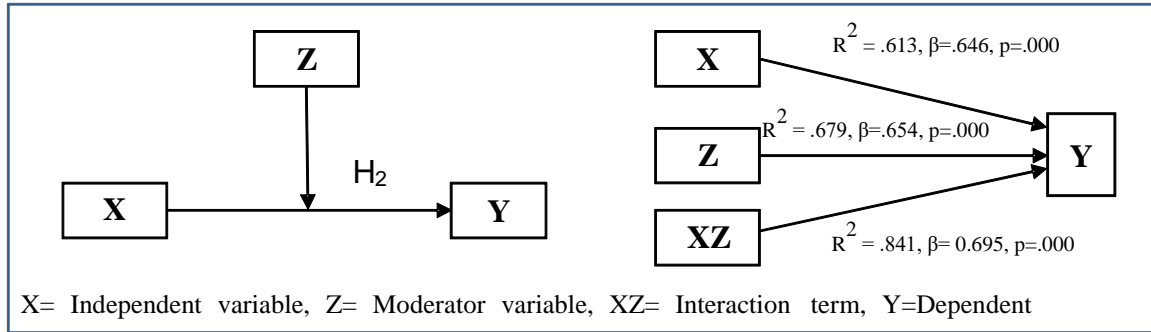
$$\text{Model 2: } OP = 0.868 + 0.116CG + 0.654GR$$

$$\text{Model 3: } OP = 0.237 + 0.596CG + 0.348GR + 0.695CG*GR$$

Where; OP = Organisational performance; CG = Corporate governance; GR = Government Regulations

The graphical representation demonstrating the moderating effect of Government Regulations on how corporate governance influence organisational performance now becomes:

Figure 4: Revised Simple Moderation Model for CG, GR and OP



Where-;

H_2 = Cross-level moderation effect.

The revised representation diagram shows that in path a; corporate governance (CG) as the independent variable (X) are regressed against organisational performance and the results show positive and significant relationship ($R^2=.613$, $\beta = .646$, $p=0.00$). In path b government regulations (GR) as the moderator (Z) is regressed on corporate governance and the results show positive and significant relationship ($R^2=.679$, $\beta = .654$, $p=0.00$), hence an enhancing type of moderation is therefore been depicted in the model. The hypotheses that government regulations does not significantly moderate the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya is thus rejected.

4.6.4 Mediated Moderation Effect

The fourth objective of the study was to determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The fourth hypothesis was stated in the null form that there is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Hayes and Rockwood (2020) model for mediated moderator was adopted;

$$\text{Model 1: } OP = \alpha + \beta_1 * CG + \varepsilon$$

$$\text{Model 2: } OP = \alpha + \beta_1 CG + \beta_2 SI + \beta_3 GR + \beta_4 SI * GR + \varepsilon$$

Where: OP = Organisational performance of faith-based hospital in Kenya; CG = Corporate Governance; GR = Government Regulations; SI = Service Innovation; α_0 = constant (intercept); β =Coefficient parameters to be determined, composite* =interaction term, ε = Error/disturbance)

The effect was assessed, and results explained using coefficient of determination (R-Square), Analysis of Variance (ANOVA) and the regression coefficients. Analysis of Variance consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. The results are presented in Table 37.

Table 37: Model Summary for Mediated Moderation Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.611	.47443
2	.897 ^b	.804	.802	.33868

a. Predictors: (Constant), Corporate governance

b. Predictors: (Constant), Corporate governance, Service Innovation, Government Regulations

The first model for regressing corporate governance against organisational performance of Faith-Based Hospitals in Kenya had 61.3% while the second step of regressing corporate governance, service innovation, government regulations, and SI*GR against organisational performance of Faith-Based Hospitals in Kenya had 80.4%. The R squared for model increased from 61.3% to 80.4% after the mediated moderation effect. The ANOVA results are presented in Table 38.

Table 38: ANOVA

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	88.279	1	88.279	392.200	.000 ^b
	Residual	55.821	248	.225		
	Total	144.100	249			
2	Regression	115.883	3	38.628	336.759	.000 ^c
	Residual	28.217	246	.115		
	Total	144.100	249			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Corporate governance

c. Predictors: (Constant), Corporate governance, Government Regulations

c. Predictors: (Constant), Corporate governance, Government Regulations, Service Innovation

Analysis of Variance consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. The F-Calculated for model one was (1, 248) = 392.200, $p < 0.05$, which is greater than F-Critical (3, 246). The F-Calculated for model two was (3, 246) = 336.759. Therefore, the results confirm that the regression model one, two and three are significant in overall.

Table 39: Regression Coefficients for Mediated Moderation Effect

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.299	.095		13.680	.000
	Corporate governance	.646	.033	.783	19.804	.000
2	(Constant)	.345	.093		3.732	.000
	Corporate governance	.153	.044	.186	3.462	.001
	Service Innovation	.790	.063	.766	12.562	.000
	Government Regulations	-.029	.062	-.030	-.463	.643

a. Dependent Variable: Organisational Performance

The fitted model was;

$$CG = \alpha_0 + \beta_1 GR + \varepsilon$$

$$OP = \alpha_0 + \beta_1 CG + \beta_2 SI + \beta_3 CG * SI + \varepsilon$$

$$OP = 0.345 + 0.153CG + 0.790SI + (-0.029) CG * SI + \varepsilon$$

Where:

OP = Organisational performance of faith-based hospital in Kenya; CG = Corporate Governance; GR = Government Regulations; SI = Service Innovation; α_0 = constant (intercept); β =Coefficient parameters to be determined, composite* =interaction term, ε = Error/disturbance)

The regression of coefficients results depicted in Table 39 shows that in step one, the regression model of corporate governance on service innovation was significant with $\beta=0.646$, $p=0.000<0.05$. In step two, the results show that the regression model of corporate governance service innovation, government regulations and the interaction term service innovation*government regulations on organisational performance of Faith-Based Hospitals in Kenya was significant with $t =3.732$, $p<0.05$: $t =3.462$, $p<0.05$: $t = 12.562$, $p<0.05$. Since, the p value for the mediated moderation term (SI*GR) was significant, the study rejected the null hypotheses that there is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The researcher therefore concluded that there is indeed a significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

4.7 Chapter Summary

This chapter presented the analysis of the data collected and discussion of the findings. The study utilised descriptive statistics, correlation analysis and regression analysis. The chapter also presented the findings and summary of the hypotheses. Correlation and regression analysis results confirmed a significant effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya, and the mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya was confirmed. Lastly, the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya was confirmed.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter has been designed to discuss study findings. The respective sections are structured to discuss findings on corporate governance and organisational performance, mediating effect of service innovation, moderating effect of government regulations and mediated moderation effect. The discussions include interpretation of findings and comparisons with reviewed literature for purposes of illuminating areas of consistency and incongruities. It also outlines the revised model based on the findings of the study.

5.0 Introduction

The main objective of the study was to examine relationship between corporate governance, service innovation, government regulations and organizational Performance of faith-based hospitals in Kenya. Specifically, the study sought to establish the relationship between corporate governance and organizational Performance of faith-based hospitals in Kenya; to examine the mediating effect of service innovation on the relationship between corporate governance and organizational Performance of faith-based hospitals in Kenya; to determine the moderating effect of government regulations on the relationship between corporate governance and organizational Performance of faith-based hospitals in Kenya. The last objective was to determine the mediated moderation effect on the relationship between corporate governance and organizational Performance of faith-based hospitals in Kenya. This chapter presents the summary of study comprising of study objectives, hypotheses, findings and conclusions. The conclusions also indicating whether the objectives of the study were achieved.

5.1 Summary of Findings

The study results established that there was a positive and significant effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya. However, there exists partial mediation effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study findings also revealed a significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

Further, significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya was confirmed.

5.1.1 Effect of Corporate Governance on Organisational Performance

The first objective of the study was to establish the effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya. Corporate governance (CG) has become a rapidly expanding activity in enterprises in recent years, and its significance has been emphasized globally. Even nations that do not currently have regulations governing the use of CG in enterprises have embraced it. The fact that CG forms the foundation of an organization's operational architecture explains its widespread appeal. Since the owners are dedicated to utilizing the mechanisms and principles, which in the broadest sense equate to effective monitoring of a company's activities, especially when the principles of disclosure and transparency are adopted, it is anticipated that the adoption and implementation of the Quality Assurance (QA) practice will benefit the owners. Therefore, when a company decides to adopt and implement CG, this move might positively affect decisions pertaining to both present and potential investors. Apart from the analysis done by the experts, owners and shareholders can also examine and assess judgments made on a daily basis because the information is readily available. This highlights the CG's distinct and significant function in relation to how these processes affect businesses' performance. Numerous studies demonstrate the connection between CG and business performance, yet the findings are variable and sometimes positive, both good and bad for the performance of the company.

The statistical relevance of the independent variable (corporate governance) on the dependent variable (organisational performance) faith-based hospitals in Kenya was examined using a simple regression model. The first null hypothesis claimed that there is no meaningful correlation between corporate governance and the organisational performance of faith-based hospitals in Kenya. Corporate governance was regressed against organisational performance of faith-based hospitals in Kenya and the results demonstrate that organisational performance stays at 1.299 when corporate governance is maintained. Organisational performance is improved by following sound corporate governance principles and practices. Given that the p-value of less than 0.05 is smaller than the critical value, the null hypothesis -which posited that corporate governance had significant

effect on the organisational performance of faith-based hospitals in Kenya - was rejected. The study came to the conclusion that corporate governance significantly affects the performance of faith-based hospitals in Kenya.

The findings of this study are in agreement with those of Oino (2019), who found that improved risk management, enhanced auditing and compliance, and more disclosure and transparency all had a positive impact on the financial performance of financial institutions. Furthermore, when there was an increase in the amount of auditing within the banking industry as well as the degree of compliance with banking regulations, the financial performance of banks improved. This is further supported by Khan, Zahid, Saleem and Sági (2021) who indicated that board composition had a significant effect on the performance. Additionally, the CEO characteristics was found to have a positive moderating effect on the relationship between board composition and accountability in the firm. The performance of the firm was found to be affected by the gender diversity and CEO duality. Equally, the results revealed that board size and diversity had a significant effect on performance.

Naciti (2019) findings support the current study by linking board composition and performance. Performance was found to be influenced by companies that had a greater diversity on their board of directors and a distinction between the positions of chair and CEO. Having a higher number of indirect directors has a significant effect on the overall performance of the firm. Similarly, Abu Qa'dan and Suwaidan (2019) study gave a link between board composition and the performance. Performance was also influenced by the ownership structure and corporate social responsibility disclosure (CSR). On a contrary to this study findings, Biswas, Mansi and Pandey (2018) established a negative association between board gender diversity and environmental performance. Similarly, Zhuang, Chang and Lee (2018) study revealed a negative correlation between gender diversity and performance of the firm. The current study findings contradict the study by Assenga, Aly and Hussainey (2018) who revealed a negative correlation between board characteristics and performance.

5.1.2 Mediating Effect of Service Innovation

The second objective of the study was to examine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based

Hospitals in Kenya. Service innovation has become a vital tactic for businesses in all sectors to stand out from the competition, draw in and keep consumers, and maintain a competitive edge in today's fast-paced, customer-focused business climate. By concentrating on innovation in service offerings, businesses can increase market share and generate new revenue streams in addition to satisfying the evolving needs of consumers. Using technological breakthroughs to create digital solutions that improve customer satisfaction and expedite service delivery is one facet of service innovation. For instance, businesses can enhance operational efficiency, personalize services, and provide customers with seamless omni-channel experiences by integrating automation, artificial intelligence, and data analytics technology.

The study results are buttressed by Khan and Naeem (2018) who observe that, to boost client happiness, service innovations frequently strive to match or surpass their expectations. Customer loyalty and market share are increased when satisfied customers are more inclined to use the service again and refer it to others. By personalizing the client experience, innovative services can improve the efficiency, convenience, and enjoyment of encounters. Businesses that successfully innovate in their services can set themselves apart from rivals. This uniqueness, which makes the company stand out in the marketplace, can take the form of distinctive features, greater quality, or innovative distribution methods. Market share and revenue are frequently enhanced by a competitive advantage. Enhancing operational procedures can also be the subject of service innovation. Introducing new technology or procedures can improve productivity, cut expenses, and streamline processes. Operational efficiency can be greatly increased by, for instance, implementing digital technologies for customer relationship management or using data analytics for service personalization.

Bustinza, et al. (2018) study findings agree with the findings of the current study which observes that organizations can reach new clientele or markets by launching new services or enhancing current ones. This growth may result in more sources of income. Innovation can also create chances for service diversity, which lowers reliance on a particular service line and lowers risk. An organizational culture of adaptation and continual development is fostered via service innovation. Proactive innovators are in a better position to react to shifts in the market, consumer tastes, and technology developments. Resilience is essential to long-term success and

sustainability. An organization can attract more prospective and present employees by embracing innovation. Talented people searching for exciting work environments are likely to be drawn to a culture that promotes experimentation, innovation, and learning. Furthermore, workers who participate in creative projects frequently express greater levels of engagement and job happiness. A company's standing as a pioneer in its industry can be improved by implementing innovative services successfully. Gaining recognition for innovation has the potential to improve a brand's reputation, draw in investors, and generate favorable press coverage.

Hameed, Nisar, and Wu (2021) findings on the connections between external knowledge, internal innovation, businesses' open innovation performance, service innovation, and business performance are reiterated in the current study. The results demonstrate that business performance and service innovation are positively impacted by a firm's open innovation performance. Additionally, they demonstrate how organizations' open innovation performance is positively impacted by both internal and external innovation, which in turn leads to business performance and service innovation. Furthermore, innovative methods to service design, delivery, and customer interaction are all included in the category of service innovation, which goes beyond technical breakthroughs. This could entail developing new service delivery models in collaboration with clients, integrating sustainability and social responsibility ideas into service offerings, and co-creating with them. The significance of service innovation in boosting organizational performance and competitiveness has been highlighted by recent studies.

The outcomes also mirror the findings of Xie, Wang, and García (2021), which demonstrated that higher customer engagement levels significantly improve service innovation performance. The results of the study also revealed that relationship learning modulates the link between. Furthermore, it has been noted that greater knowledge absorptive capacity both considerably increases the impact of customer involvement in service innovation on relationship learning and increases the indirect effects of customer involvement in service innovation on service innovation performance through relationship learning. In order for businesses to succeed in the face of fiercely competitive business environments, service innovation drives them to create goods, technologies, and services that cater to consumer preferences (Heirati & Siahtiri, 2019; Casidy et al., 2020; Ndubisi et al., 2020). Many businesses strive to connect their resources and operations with other

value-creating entities, such as clients, in order to enhance the efficacy of service innovation (Anning-Dorson et al., 2018, Iden et al., 2020).

The study findings are supported by Khan, Ahmad, Abdul Halim and Ahmad (2022) study which indicated who suggested that open innovation has a mediating role in the link between innovation performance and service innovation orientation. The results demonstrated innovation performance of an organization was influenced by open innovation. The findings are consistent with Blommerde (2022) who studied the relationship between Service innovation and performance in micro, small, and medium-sized enterprises (MSMEs). The study result indicates a positive correlation between service innovation and performance. The findings also demonstrate that the service innovation-performance relationship's magnitude is not significantly different for MSMEs of varying sizes. No discernible differences were found between any of the groups, despite the expectation that this association would be stronger for larger organisations with more resources than their smaller competitors. The study's findings provide empirical evidence of the degree to which service innovation initiatives genuinely impact MSMEs of all sizes' overall performance, which helps guide judgements on the creation or application of innovative competitive strategies.

This study's results are in line with that by Bhat and Sharma (2022) that aligned the role of technological innovation in the hospitality industry by examining the link between service innovation and firm performance. All constructs of the integrated model appear to be positively related, and the findings provide management guidance and implications for the hospitality sector. It is clear how important co-creation is when developing services with clients in order to benefit the company through higher performance. One can attain more fruitful outcomes by concentrating on jointly constructing and innovating the offerings. The study adds to the body of literature by demonstrating how the hospitality industry may benefit from technological innovation by taking into account the opinions of relevant stakeholders while designing and deploying new technology. According to the study, effectively incorporating customers in innovation activities can improve overall performance from the perspectives of organisational and technological innovation. It is imperative for organisations to consistently implement new technologies in order to meet the diverse wants of their clientele and maintain a competitive edge over their competitors.

Additionally, the findings imply that raising the proficiency of the service organization's involvement capability will improve the performance of the entire business and customer pleasure.

The study results are also consistent with that of Feng, Ma, and Jiang (2021) who observe that service innovation significantly improves a company's performance. Furthermore, contextual moderators (firm type, innovation type, customer variables, and attitudes toward risk) and measurement moderators (economic area and performance measurement) have an impact on the link between service innovation and firm performance. The meta-analysis's findings show that the kind of firm has a major impact on the association between service innovation and performance, with manufacturing firms seeing a greater contribution from service innovation in enhancing performance.

This study is agreement with that by Gupta and Sehgal (2020) which argue that the single factor that significantly and favorably influences both incremental and radical innovation is client orientation. Performance within an organization is also found to be closely correlated with service innovation. The results additionally indicated that service innovation has to act as a moderator in the connection between an organization's performance and its market orientation. The study further reiterates that service innovations may end up being a significant and appealing strategic choice for many healthcare service providers as a result of the quick advancements in technology, rising patient expectations, and heightened competition (particularly in the private healthcare sector). Healthcare organisations must adopt a proactive, customer-oriented strategy to generate value through service innovations that can be incremental or radical in order to acquire a competitive edge and better meet the latent demands of their consumers.

The study results agree with that by Ibrahim, Yusheng, and Adam, (2022) which showed a strong and favorable correlation between organizational success and service innovation. The study also showed that productivity and job satisfaction among employees had a beneficial impact on the performance of the organization. The study also showed that the relationship between service innovation and organizational performance may be mediated by job satisfaction and staff productivity.

The study findings further concur with that of Kneip, Rasch and Bauer (2020) which revealed that the environment for service innovation is also influenced by governmental laws. Businesses may be subject to particular regulatory frameworks governing product standards, licensing requirements, data privacy, intellectual property rights, and other factors relating to service providing, depending on the industry and the sort of services given. These rules have the potential to both encourage and impede innovation in the service industry. Regulations that safeguard intellectual property rights and encourage competition, for example, may encourage businesses to spend money on Research and Design (R&D), which could result in the launch of new and enhanced services. On the other hand, laws that are too onerous or antiquated can hinder innovation by increasing the cost of compliance and making it more difficult for businesses to adjust to shifting market conditions. Furthermore, by influencing the business environment in which organizations operate, government laws have a direct effect on organizational performance. Taxation, labor laws, commerce, environmental protection, and health and safety regulations can all have a big impact on a business's cost structure, access to markets, and overall competitiveness. Many times, in order to comply with these requirements, businesses must commit resources and implement particular procedures, which may have an impact on their productivity, profitability, and long-term sustainability (Schilke & Benner, 2020).

The study results agree with that of Gu, Li, Wang, Yang and Yu (2019) which indicated that studies demonstrating the use of electronic health records (EHRs), telemedicine, and artificial intelligence in hospital management systems highlight the prominence of technological improvements in particular. In the end, these technologies promote better patient care by streamlining administrative procedures and supporting data-driven decision making. This was further supported by Vyas and Bhargava (2021) who observed structural and organisational developments have become more well-known. Novel approaches to human resource management, such as team-based care models and leadership techniques that put employee engagement and satisfaction first, have been studied by hospital management academics. Srivastava and Prakash (2019) study results collaborate the current study findings by observing that care coordination frameworks have been developed as a result of the emphasis on a patient-centric approach, guaranteeing a smooth and cooperative healthcare delivery system inside hospitals.

The study results align with those of Omaghomi, Akomolafe, Ogugua, Daraojimba, and Elufioye (2024), who note that the ever-evolving field of hospital management is at a critical juncture where innovation and transformation intersect. The study examined the importance of advancements in hospital administration, emphasising their crucial role in tackling present difficulties and determining the future of healthcare provision. The study presented a wide range of improvements, including the incorporation of technology, techniques for managing human resources, and advancements in patient care. Although these advancements provide great potential, obstacles such as reluctance to adapt, limited financial resources, and compatibility problems require careful deliberation and strategic methods. The discussion on potential solutions yielded valuable insights into effectively tackling these difficulties, with a particular focus on change management, financial planning, and fostering collaborative efforts. The future of hospital management is filled with promising opportunities. Potential areas for future study and innovation, such as the incorporation of artificial intelligence, blockchain technology, and patient-generated health data, offer the chance to completely transform healthcare practices. The rise of the Internet of Things, virtual and augmented reality, and the expansion of telemedicine services indicate a move towards healthcare facilities that are more focused on the patient, efficient, and technologically advanced. As hospitals navigate through unfamiliar territory, it becomes clear that a comprehensive and cooperative strategy is crucial. Hospitals may establish themselves as leaders in providing exceptional, patient-focused healthcare by cultivating an environment that encourages innovation, actively participating in ongoing research, and wholeheartedly adopting new and developing technologies. The future of hospital management holds the prospect of overcoming existing obstacles and ushering in an era of healthcare excellence that values innovation, efficiency, and improved patient outcomes

The findings are buttressed by that of Bhagat and Kanyal (2024) which pushes for a proactive strategy, asking interested parties to support careful regulation, prioritise ethical standards, encourage cooperation, engage in education, and embrace an innovative culture. By working together, the healthcare sector can effectively traverse this revolutionary era and make sure AI helps offer healthcare that is more efficient, patient-centered, and accessible. It is crucial to remember that empirical data indicates artificial intelligence (AI) greatly improves patient care, lowers cost, and increases the effectiveness of healthcare worldwide (Alowais et al., 2023). The

AI's enormous potential is demonstrated by how it has revolutionised patient record analysis, medical imaging, and research article scrutiny.

Technologies play a critical role in enabling the early detection of diseases and supporting more effective therapies by skillfully spotting complex patterns and potential health problems (Kumar, Chauhan & Awasthi, 2023). The field of medicine is changing as a result of the integration of AI through machine learning, digital data collection, and sophisticated computing infrastructures. A variety of cutting-edge tools, such as the Internet of Things (IoT), machine learning, smart sensors, robotics, big data analytics, and more, are being adopted by hospitals and healthcare providers globally as a result of this technological advancement (Haleem, Javaid, Singh, & Suman, 2022; Tavares et al., 2023). A flexible and all-encompassing framework that covers a range of healthcare-related topics has been created as a result of the adoption of these technologies. These topics include disease detection and prevention, diagnostic evaluation, healthcare management, assisting patients in making decisions, and even medical research (Bohr & Memarzadeh, 2020; Olawade et al., 2023).

The findings are further corroborated by Tajeddini et al. (2020), whose findings suggested that committed front-line employees and leadership are shown to be the primary antecedents of service innovation. Knowledge management and infusing creativity throughout the organisation are also essential factors in the success of service innovation. Additionally, the findings indicate that businesses have the potential to capitalise on the advantages that are linked with human-related aspects in order to improve their service innovation habits and boost their overall business performance. This is supported by the works by Martin-Rios et al. (2019), who stated that hospitality is the least innovative service activity. Furthermore, the data indicate that the only factor that has a positive correlation with sales turnover in hotels is the implementation of complex innovation strategies that place equal emphasis on technology and non-technological innovation. The study comes to the conclusion that the level of innovation differs from one industry to another, and that the tactics that are used to innovate might have various effects on performance depending on the respective industry. The results are in line with those by Kurtmollaiev and Pedersen (2022) who observed that the primary challenges that hinder the advancement of service innovation research are lexical cross-contamination, parallelism in approaches, the weight of the new service

development perspective, and the legacy of new product development. To overcome these problems, the study proposed a more defined pluralism of ideas and presented potential for productive interactions across them.

Achiro, Laura, and Obwona (2022) express their agreement with the findings of this study by observing that board expertise, particularly nurses, board meetings, board diversity, CEO gender, and academic directors have a significant negative impact on the financial performance of National Health Service (NHS) hospitals in England. On the other hand, numerous directorships have a big positive impact on the non-financial performance of English National Health Service hospitals. On the other hand, board expertise, particularly nurses and board diversity, have a major negative impact on the non-financial performance of English NHS hospitals. At the level of the hospital type, additional empirical findings reveal that the expertise of the board, particularly the presence of nurses on the board, diversity on the board, and gender of the CEO all have a significant negative impact on the financial success of NHS trusts.

In a similar vein, the gender of the chief executive officer has been shown to have a significant negative impact on the financial success of NHS foundation trusts. In terms of non-financial performance, multiple directorships and honoured directors have a significant positive impact on the performance of NHS foundation trusts. On the other hand, board expertise, particularly nurses, and board diversity reveal a significant and negative impact on the performance of NHS foundation trusts in terms of non-financial performance. It is important to note that none of the metrics used to evaluate corporate governance have a major impact on the non-financial performance of NHS trusts. In addition, Puni and Anlesinya (2020) discovered that the inclusion of both insiders and outsiders on the board of directors of a corporation improves the company's financial performance. This finding lends more support to the findings of the study. In a similar vein, the size of the board, the frequency of board meetings, and the concentration of shareholders and ownership structure all had a significantly favourable effect on the company's financial success. On the other hand, the existence of board committees was found to have a potentially detrimental effect on financial performance, whilst the inclusion of a dual CEO did not have any effect on financial performance. This is further reiterated by Fallah and Mojarrad (2019) who indicated that audit committee composition, board tenure and ownership concentration positively influence CSR disclosure level

with ownership concentration as the most influential variable, that is, in companies with majority shareholders ownership, managers tend to disclose more CSR information. Corporate governance procedures have been found to be connected with business success in numerous theoretical and empirical studies done in the context of emerging economies Well-functioning corporate governance processes in emerging economies are of fundamental relevance for both local enterprises and international investors that are interested in pursuing the huge prospects for investment and growth that such emerging economies present From the standpoint of local enterprises, findings suggest that firms in developing economies (compared with their counterparts in industrialised countries) are devalued in financial markets because of their weak governance. Improvements in corporate governance can strengthen investor confidence for enterprises in emerging economies and expand these firms' access to finance. To overcome challenges of corporate governance, numerous internal or external techniques might be implemented. Primary internal mechanisms are the equity ownership structure of the firm and board of directors, whilst primary external mechanisms are the legal system and the external market for corporate control. External and internal governance mechanisms are complementary to each other i.e. countries where market for corporate control are not that much prevalent and enforcement of corporate government regulations through legal system are weak, provides a strong case for internal governance mechanisms to be at the forefront for improving corporate performance.

The study findings accord with that by Abang'a, Tauringana, Wang'ombe and Achiro (2022) who reported that board meetings, board skill and gender diversity individual components of corporate governance are significantly and positively connected with capital budget realization ratio (CBRR). Moreover, the study reveals that aggregate corporate governance disclosure index, board sub-committees, board size and independent non-executive directors are positive but insignificantly connected to CBRR. Blevins, Ragozzino and Eckardt (2022) study also supported the current study by the assertion that corporate governance practices - such as independent boards, chief executive officer oversight, and transparency - enhance the degree to which donor contributions are allocated toward a charity's mission. Overall, the broader application and benefits of corporate governance and building on research emphasising ties between for-profit and nonprofit businesses were reviewed.

The combination of technology and medicine to produce more precise, efficient, and customised healthcare solutions is a step toward smart healthcare (Garcia et al., 2024). These sophisticated algorithms have outperformed traditional diagnostic techniques in their ability to diagnose chronic illnesses (such as cancer and heart disease). AI is also essential to pharmaceutical research and development since it provides a path towards the development of more accurate and potent therapies. The quick creation of the COVID-19 vaccine (Ghosh et al., 2020) is a good illustration of this, demonstrating how AI may advance pharmaceutical inventions quickly. Moreover, Johnson et al. (2021) highlights personalised medicine as an additional prospective use of AI in healthcare. This innovative method takes into account the distinct qualities of every patient, encompassing their genetic makeup, surroundings, and way of life (Garcia et al., 2024). Personalised medicine is revolutionising the healthcare industry by customising therapies to meet the needs of each patient, improving the accuracy and effectiveness of medical care. It does this by combining a wide range of data.

5.1.3 Moderating Effect of Government Regulations

The third objective of the study was to determine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of faith-based hospital in Kenya. The study findings revealed an enhancing moderation effect on the relationship between corporate governance and performance. A significant correlation was established between corporate governance, government regulations and performance. These results agree with that of Andrews and Smith (2021) which revealed that corporate governance is one important area in which rules from the government have a big impact. Government regulations delineate standards and obligations with the objective of guaranteeing openness, responsibility, and moral conduct in businesses. These laws frequently set forth requirements for running business while protecting the interest of the consumers as well as the makeup and duties of corporate boards, financial reporting transparency requirements, shareholder engagement procedures, and shareholder engagement tools. Governments impose these restrictions in an effort to protect the interests of stakeholders and shareholders by reducing the likelihood of corporate malfeasance, fraud, and mismanagement.

The study findings are consistent with that by Kuncoro, Sudrajat, Saroso, Syahchari and Moeke (2021) which demonstrated that the performance of dry port firms was moderated by supply chain collaboration to a favourable and considerable extent by government regulation. The indicators of government regulation consisting of synchronization, benefits, availability, and transparency had a positive and significant effect in moderating the effect. The study also notes that the presence of suitable and favourable legislation will significantly promote or increase cooperation among all stakeholders, which will improve these businesses' performance. To expedite the process of releasing products from the ports to the dry port and from the dry port to the consignee, it is also crucial to synchronise this regulation with other regulations, particularly those pertaining to import activities. Transparency is another crucial component of regulations, and it is imperative that all parties involved in the drafting process are included to prevent the creation of rules that would negatively impact or impede the stakeholders.

The study results agree with that by Jaradat et al. (2018) which linked governmental regulations to the organizational performance. The results show that while government restrictions are not significantly correlated with organizational performance, financial accessibility limits have a detrimental impact on it. This is further supported by Frederick and Dibie (2023) who linked government regulations to the organizational performance. The findings of the research deepened our understanding of how laws and regulations affect the financial and economic performance. This knowledge is useful to scholars, practitioners, and policymakers who want to improve the systems that assist small enterprises. The findings highlight the necessity of well-balanced regulatory frameworks that support competition while reducing the possibility of negative consequences on the financial stability of SMEs.

The study results also concur with that by Othman, Shaarani, and Bahron's (2019) which found a positive correlation between organizational performance and governmental regulations. The results also demonstrated the need for controlling an organization's internal resources through human variables, such as knowledge, attitude, and sensitivity to governmental policies, as this improves organizational performance and is a contributing element. This is further reiterated by Ogum and Jagongo, (2022) who linked government regulations to financial performance. The results showed that adopting governance regulations had improved financial performance. The establishment of independent board committees, the election of an independent board, the vetting

of directors and senior management, and the division of duties between the board and management were among the specific governance practices that showed a positive correlation with financial performance.

Ararat and Yurtoglu (2019) agrees with the current study findings that government regulations frequently put compliance requirements on firms, which raises the expenses of regulatory adherence. Profitability and operational effectiveness may be impacted by these compliance expenditures, especially for businesses with constrained funding. The regulations may also specify standards or procedures that enterprises must adhere to, which can have an impact on performance outcomes and operational practices.

The study findings is buttressed by that of Belloc and Pagano (2019) who observed that government regulations can affect an organization's performance indirectly by influencing the competitive environment and promoting or impeding innovation. Industry innovation can be stimulated by regulatory frameworks that establish standards or create obstacles to entry. Environmental rules have the potential to stimulate the development of eco-friendly technologies, thereby providing firms that invest in sustainable practices with a competitive edge. On the other hand, excessively stringent laws may hinder innovation and make it more difficult for businesses to adjust to shifting market conditions.

Paarlberg and Perry (2020) also share the same observation that government regulations have differing effects on the performance of organizations in different areas and businesses. For instance, sector-specific rules may present particular opportunities and challenges for highly regulated businesses like healthcare, finance, and energy. Market dynamics, investment choices, and overall performance outcomes can all be significantly impacted by changes in these industries' regulations. This finding is further supported by Scherer, Palazzo and Seidl (2023) who established that businesses may encounter difficulties adhering to regulations in several countries in an increasingly worldwide economic environment. Through its effects on supply chain management, market access, and strategic decision-making, international trade agreements, standards, and laws can affect the success of a firm. The goal of regulatory harmonization initiatives is to simplify international compliance requirements, lower compliance costs, and improve organizational performance.

In conclusion, the study findings are in line with those by Tzenios (2019) which argues that systemic issues include government rules and regulations, healthcare spending, and healthcare systems. Government laws and regulations can affect healthcare access by dictating who is qualified for certain services and programs, as well as how those services are provided. By determining who can and cannot afford to pay for care, healthcare funding can also have an impact on access to healthcare. The implementation of universal healthcare coverage, the growth of primary healthcare services, the enhancement of healthcare infrastructure, the application of rules and quality standards, the expansion of public health education, the consideration of social determinants of health, and the general planning and financing of the healthcare system were among the other policies that were covered. This study demonstrated how crucial it is to address these factors and how communities, governments, and healthcare providers must work together to guarantee that everyone has access to healthcare. To improve overall healthcare accessibility, it is imperative to address all levels of factors that may have a cumulative impact on an individual's ability to get medical treatment. Understanding these factors can influence programs and policies that improve underprivileged people's access to healthcare.

5.1.4 Mediated Moderation Effect

The fourth objective of the study was to determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

Transparency, accountability, and ethics in organizational management are ensured by effective corporate governance. It creates safeguards to safeguard the interests of different parties, such as customers, workers, shareholders, and the general public. Robust corporate governance methodologies cultivate reliance and assurance among interested parties, a prerequisite for enduring organizational achievements. Service innovation is essential for businesses to stand out from the competition, obtain a competitive advantage, and maintain long-term growth. By creating a climate that is conducive to taking risks, being creative, and investing in R&D, good corporate governance promotes service innovation. Regulations have a big impact on how corporate governance is done and how service innovation is developed. Corporate governance regulations guarantee openness, responsibility, and moral behavior in businesses. In addition, they establish

criteria for environmental sustainability, safety, and product quality, all of which have an effect on the rate and course of service innovation. A company's financial success, operational effectiveness, market share, customer satisfaction, and staff productivity are just a few of the many aspects that make up its overall performance. By strengthening decision-making procedures, encouraging creativity and innovation, reducing risks, and establishing trust with stakeholders, good corporate governance, service innovation, and regulatory compliance can all lead to increased organizational performance (Imran et al., 2022).

This study findings concur with that by Miao, Khan, Ghauri and Zaman (2023) which indicated a significant effect of corporate governance on performance. Board gender diversity has negative correlation with performance while firm age and firm size has a positive link with performance. The study further indicates a positive but an insignificant relationship between board gender diversity and performance. It is worth knowing that the corporate governance of emerging market firms make their financial performance different from those of other firms in the same market. Similarly, Martín and Herrero (2018) support the findings by stating that the study had a negative and significant relationship between the independence of boards and performance. Additionally, Sarhan, Ntim, and Al-Najjar (2019) provided threefold support for the study's conclusions. First, company financial performance is positively impacted by board diversity, as indicated by the gender and nationality of the directors. Second, better governed companies have a larger correlation between board diversity and business performance than do poorly governed companies. Lastly, diversity on the board, as indicated by the gender, country, and ethnicity of the directors, improves pay-for-performance sensitivity but not executive compensation itself.

The findings of the study are also supported by Iranmanesh, Kumar, Foroughi, Mavi and Min (2021) examined the relationship between organizational structure and manufacturing organizations' innovation capability and operational performance, using innovation capability as a moderator. The findings indicate that innovative capability is positively and significantly impacted by formalization, informal social relationships, link mechanisms, and specialization. Moreover, there is evidence to establish the link between operational performance and innovative capability. Additionally, the effects of link mechanisms and informal social relationships on a firm's capacity for innovation are favorably moderated by innovation capabilities. The study's conclusions assist

managers of manufacturing companies in improving their companies' capacity for innovation and operational effectiveness.

The study results are in line with that by Dobrzykowski and McFadden's (2020) study, which found that lean strategy affects process integration and that process integration affects operational efficiency and patient satisfaction, lends more support to the study conclusions. It was discovered that trust strengthens the beneficial association between lean strategy and process integration, making it stronger when doctors work for the hospital and weaker when they don't. A post hoc analysis showed that the relationship between process integration and patient satisfaction is also influenced by the employment of physicians. The results further concur with that by Imran, Ismail, Arshad, Zeb and Zahid (2022) which examined the mediating role of innovation in the link between ITG and organizational performance in Pakistani petroleum services organizations. The findings showed that ITG has a favorable impact on both organizational performance and innovation. Performance inside an organization was positively impacted by innovation. The association between ITG and organizational performance was somewhat mediated by innovation. In this context, the study supports the strategic use of information technology (IT) to improve organizational performance and creativity.

Zahoor et al., (2024) also supports the current study by linking risk management, board effectiveness, innovation, and corporate governance to performance. It also examines how government policy and business governance function as moderators and mediators. This study primarily used the resource-based perspective theory and agency theory to investigate the relationship between corporate governance and business performance. Nonetheless, the findings show a strong relationship between corporate governance, innovation, risk management, and board effectiveness. The findings show that the relationship between risk management, board effectiveness, innovation, and the performance of the company was considerably mediated by corporate governance. More crucially, the performance of the corporation and corporate governance were considerably controlled by government policy.

The current study's finding is further supported by Saleem, Khan, Hasan and Ashfaq (2021) which provided an explanation for the companies' utilisation of innovative management control and departure from conventional corporate governance practices. Research reveals that a company's

performance is impacted by deviations from governance practices. Thus, it can be concluded that companies that employ cutting-edge governance techniques typically maintain their competitive edge by setting the standard for governance. The results also generalize viewpoints on organizational ecology and the firm's entrepreneurial character. Furthermore, the findings of the study are in agreement with the observations made by Szabo (2021), who highlighted the fact that the concept of governance is no longer confined to senior leadership teams. In point of fact, these ideas are currently exerting some degree of influence over each and every member and level of personnel within the organisation. The dilemmas that arise in organisational governance are frequently difficult to solve, involve a large number of stakeholder groups, and almost never have a straightforward answer that gets to the bottom of the issue. Despite the rising importance of governance in the healthcare sector, governance continues to play a fairly modest role in healthcare administration and management education.

The current study findings agree with that by Pusparani, Moko, and Prabandari (2023) who looked into the function of service innovation as a mediator. The results of this study show a strong and favorable relationship between an entrepreneurial mindset and an organization's capacity for learning as well as between service innovation and success. In terms of organizational performance, it is found that service innovation does not mediate the relationship between an entrepreneurial mindset and organizational learning capacity. It is hoped that the results of this investigation will significantly advance science and the stakeholders involved. Aswani and Mutunga (2023) study support the current study by examining how corporate governance practices can influence performance. The study results indicated a weak positive significant association between board independence and the performance of Mombasa County's medium-sized businesses. Additionally, there was a strong correlation between performance and board size. There was also a positive association between the frequency of board meetings the operational efficiency of the businesses. The findings of the study indicate that the authorities ought to tighten its procedures in order to guarantee that the corporate governance disclosures that are included in annual reports are actually put into effect at the level of the company, rather than merely being assertions of good intentions. The standard for corporate governance will be dramatically raised as a result of this, which will ultimately lead to improved business performance. In general,

corporate governance has a positive impact on all of the performance measurements that are utilised by an organisation. According to the findings of the study, in order to address the issues that are associated with corporate governance, researchers, managers, and policymakers in the small and medium-sized enterprise sector need to be more open and flexible.

The study's findings align with those of Widjaja (2020), who noted that appropriate corporate management and clinical governance are prerequisites for good hospital governance. The results demonstrated that the regulations governing chemists' roles in hospitals contained few restrictions. It was also observed that in appropriate hospital governance settings, chemists play two distinct but crucial functions that work in tandem. Further, the present study aligns with the research conducted by Alzahrani and Hakami (2022), which demonstrated a noteworthy influence of hospital management board, accountability, social responsibility, and transparency on the overall effectiveness of hospital organisations. While the hospital management board is one of the key components contributing to the success of the organisation, transparency is one of the major factors that impact the success of the organisation. In terms of healthcare, hospitals have a social obligation to provide their patients with high-quality care so that they will in turn become socially accountable for the care they get.

This is corroborated by Yin and Sheng's (2019) study, which finds that raising pre-innovation input will boost corporate performance in the near run in technology-intensive businesses. However, until innovation input is raised again, this will slow down innovation and ultimately lead to worse corporate performance. However, innovation input only improves corporate performance in capital-intensive companies in the short term; in the long run, however, improving corporate performance will lead to higher levels of innovation input. Labor-intensive industries similarly rely on early, substantial returns on innovation input, but this is not correlated with the company's performance in the long run. Within the executive incentive mechanism, salary incentive has a significant positive regulatory influence on the relationship between innovation input and business success. Asensio-López, Cabeza-García and González-Álvarez (2018) found no correlation on the relationship between corporate governance and innovation; instead, opposing views were identified, and the empirical data did not always support these views. According to Malik, Younus, and Sattar's (2022) research, digital innovation has lessened the impact of board diversity and size,

while the indirect effect results showed that board independence, committees, and the frequency of annual meetings were no longer in line with their intended directions.

The results are further supported by Rahim, Panatik, and Li (2024) who argue that good corporate governance is crucial for long-term, sustainable business growth and prosperous economies. Investors, shareholders, and other stakeholders place a high value on a company's success. Investors, in particular, use business performance as a criterion for selecting investment firms. Evidence demonstrates that corporate governance and technology innovation are major elements impacting business performance. Additionally, by fostering innovation in environmentally friendly technologies, digital transformation impacts corporate decision-making. Corporate governance is one of the essential factors of corporate performance that may assist to increase the long-term value of corporate, which will boost corporate performance. Companies with a large board of directors, equity incentives for executives, and a system of checks and balances across different levels of ownership are more likely to innovate technologically, according to studies of the internal mechanism. Technological innovation mediates the effect of corporate performance levels and plays a significant role in corporate governance (equity balances degree, board size, executive equity incentives), so a company's technological level is a good indicator of its ability to improve corporate performance.

The study findings are further bolstered by that by Affes and Jarbouï (2023), who note that establishing control and supervision frameworks to guarantee that management behaves in the best interests of shareholders is a key component of sound corporate governance. A transparent financial system, executive remuneration based on business success, the creation of an independent board of directors, and the sharing of pertinent information with shareholders are a few examples of this. Through the implementation of suitable incentives and controls, corporate governance may mitigate conflicts of interest and enhance the financial performance of the organisation by augmenting the company's value and providing a higher return on investment for shareholders. The study also showed that implementing sound corporate governance improves a company's ability to perform financially as determined by its return on equity.

The findings of Alodat, Salleh, Hashim, and Sulong (2022) agree with the current study findings by indicating a statistically significant and positive correlation between the audit committee and

board of directors characteristics and the two company performance indicators that were examined, namely return on equity (ROE) and Tobin's Q. Regarding ownership structure, there was a noteworthy and favourable correlation found between institutional and foreign ownership and return on equity. Tobin's Q, on the other hand, caused a negligible and unfavourable link between ownership kinds and business performance metrics.

The study results are further supported by Li, Li, and Gao (2019) who observed that the cultural factor significantly influences how service innovation and business performance are related to one another. Among these, there is a larger positive association between service innovation and performance in the context of low collectivism and low uncertainty avoidance. There is no discernible adjustment impact of power distance, long-term orientation, or short-term orientation on service innovation and business success. The link between service innovation and business performance is influenced by performance kinds. Under comprehensive performance, there is a stronger association between service innovation and company performance. The firm is greatly impacted by service innovation, which goes beyond improving financial or non-financial performance alone. The influence of service innovation on company performance is more thoroughly measured in the service innovation process the more performance categories are counted. Furthermore, there is a transformation link that exists between non-financial and financial performance.

Woo, Kim, and Wang (2021) support the study findings, stating that formal staff training, foreign ownership, company size, and cooperation are only a few of the critical factors deemed significant in determining the degree of service innovation in businesses. Nonetheless, as front-line workers are essential to innovation, research has advocated for a deeper analysis of employment-focused practices and a broader empirical knowledge of service innovation in the tourism industry. Businesses may use innovation to provide goods and/or services that set them apart from rivals and add value for consumers. There is no agreement on the process of service innovation, even with the increasing interest in the value creation of service innovation and the variety of definitions.

The study is corroborated by Desmice, Yacob, and Lubis's (2022) finding that corporate governance in Indonesia is based on five principles. Openness in corporate entities, including decision-making, conducting business, and revealing significant and pertinent information, has

been linked to transparency. The second component of corporate governance is accountability, which is making sure that business management is done correctly and measurably while taking stakeholders' interests into consideration. Accountability pertains to meeting customer expectations and adhering to legal requirements. The fifth requirement is fairness and equality, which is an attitude related to treating interested parties fairly in line with the standards and proportion of their demands. Independence is a condition of competent company management necessary to limit the interference from any party.

The study findings are in line with that by Nagalingam et al. (2022) who observed a company's financial statements and management practices are subject to legal and regulatory scrutiny as part of corporate governance, which is defined as sound management practices that need forethought rather than a fast remedy. This is also true El Fawal and Mawlawi (2018) who observed that, management sets the policies that govern every aspect of business operations, including marketing, accounting, and finance performance, in order to maintain business performance, customer happiness, profitability, and the quality of helpful services. The intricacy of the business environment is reflected in the size of the boards. Expertise-rich, larger boards are more capable of rendering consistent decisions about corporate disclosure than are less capable boards. A larger board can reduce agency conflicts since its members can each serve the interests of various stakeholders. Furthermore, it provides increased access to a wider range of stakeholders, enabling a larger panel to reduce risks and uncertainties by improving transparency.

The current study findings agree with that by Masud, Nurunnabi and Bae (2018) which observed that the organization's success or failure may be determined by the board's size. Large boards have demonstrated to have an impact on the board's culture, informational gaps, lack of management, and member equality even when the boards are unable to pinpoint the exact causes of board failure. This is further corroborated by Bhat, Chen, Jebran, and Bhutto (2018) who stated that for companies with sizable board sizes, the cost of organising and processing their businesses is high. Exorbitant expenses lower the organization's efficiency. On the other side, it keeps people from free-riding in businesses with smaller boards, which eventually improves performance. Large boards might be seen as having the potential to falsify account figures, which would place further pressure on the company's management.

Shin, Kim, Jung, and Kim (2022) corroborate the findings by pointing out that manufacturing enterprises must manage the risks associated with rising expenses and exertion in order to reap the benefits of service innovation. Because of this, businesses with limited resources could not profit from service innovation and might suffer bigger losses as a result of higher input costs. Nevertheless, many studies on service innovation in companies has concentrated on innovation performance rather than increases in innovation inputs; as a result, questions about the possibility of higher inputs from service innovation initiatives remain unaddressed.

The study's findings however run counter to those of Kempner-Moreira, Freire, and Zilli (2020), who note that corporate governance doesn't automatically foster innovation. It must be taken into account in the organization's policies and strategy, as well as in an adjustment made to the organization's placement within the innovation context. In addition, it is imperative that the organisation be strategically and competently devoted to innovation, or else its efforts would be significantly diminished. Based on these findings, the study advances knowledge by outlining the factors that corporate governance should take into account to foster innovation. It is also said that good management of its core innovation skills, including mapping them and making sure the governance structure fosters an atmosphere that is supportive of their growth, is necessary to produce competitive results in terms of innovation. Funding for innovation and technology as well as Research and development (R&D) investments are other factors to take into account. In addition, corporate governance has the responsibility of establishing systems for oversight and management of investments, guaranteeing their deliberate and efficient use and, ultimately, mitigating the risks associated with innovation. In companies with a large number of directors, they allow access to a wide range of external resources, including the technical and financial resources that are critical to innovation.

5.1.5 Summary of Research Findings

Chapter five presented discussions of the findings of the study. The discussions and interpretations have been made using statistical knowledge and the existing body of theoretical and empirical literature. Based on the findings, hypothesis one, three and four were not confirmed, while hypothesis two presented partial mediation. The summary of the results is outlined in Table 40.

Table 40: Summary of Hypotheses

Objectives	Hypotheses	Hypotheses Test Results
<p>Objective 1 To establish the effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya.</p>	H ₀₁ : There is no significant effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya	Rejected
<p>Objective 2 To determine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	H ₀₂ : There is no significant mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya	Rejected
<p>Objective 3 To examine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	H ₀₃ : There is no significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya	Rejected
<p>Objective 4 To determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	H ₀₄ : There is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.	Rejected

As indicated in Table 40, hypotheses one was not confirmed that there is no significant effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya. Further, hypotheses two indicated a mediation effect. Hypotheses three was not confirmed that there is no significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Lastly, hypotheses four was not confirmed that there is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

5.1.6 Optimal Model

Based on the study findings, a model optimisation was conducted. The aim of model optimisation was to guide in derivation of the final model where only the significant variables are included for objectivity. Results were arrived at through running regressions analysis. Results of the new conceptual framework are presented in Figure 5.

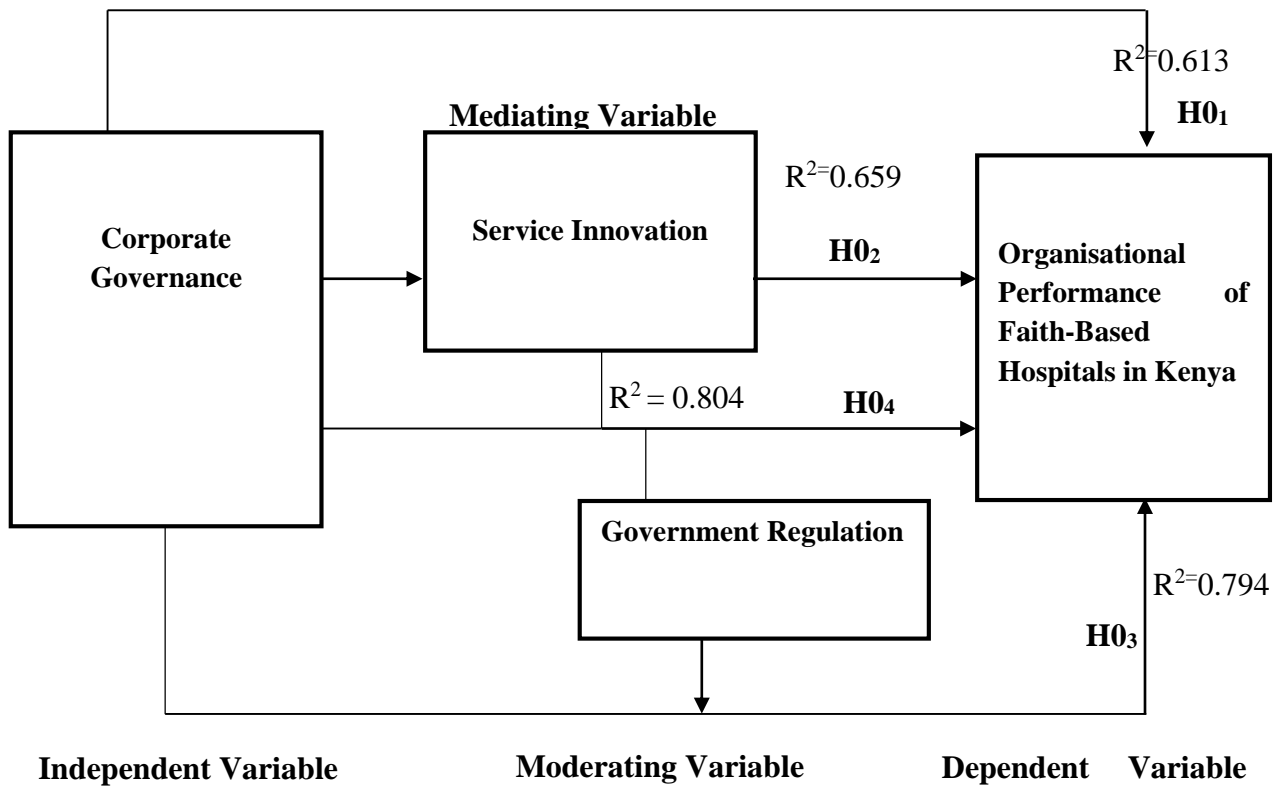


Figure 5: Optimal Model

The model in Figure 5 indicates that no variable was dropped since all null hypotheses of the study were rejected and the model was accepted as conceptualised and is therefore the optimal model.

Findings of the study have been examined and compared to the previous findings of other researchers. To a large extent, the findings of this study are consistency with research findings of previous studies. The propositions from the findings support the conceptualised and confirmed model depicted in Figure 5. The model conceptualises the interactions between corporate governance (independent variable), service innovation (mediating variable), government

regulations (moderating variable) and organizational performance (dependent variable) of faith-based hospitals in Kenya. It also depicts mediated moderation effect on the relationship between corporate governance and organizational Performance of faith-based hospitals in Kenya.

5.2 Conclusions

5.2.1 Effect of Corporate Governance on Organisational Performance

The first objective was to establish the effect of corporate governance on performance of Level Four government hospitals in Kenya. The study concluded that corporate governance has a significant relationship with organisational performance of Faith-Based Hospitals in Kenya. The objective was achieved.

A simple regression model was used to test the statistical significance of the independent variable (corporate governance) on the dependent variable (organisational performance) of faith-based hospitals in Kenya. The first hypothesis stated in the null form that; H_{02} : There is no significant relationship between corporate governance and organizational Performance of faith-based hospitals in Kenya. The findings indicated that when corporate governance is held constant, organisational performance remains at 1.299. At the same time, a unit increase in corporate governance will increase organisational performance of Faith-Based Hospitals in Kenya by the rate of 0.646. Since, the p value $0.000 < 0.05$ is less than the critical value 0.05, the null hypothesis was rejected that there is no significant relationship between corporate governance and organizational performance of faith-based hospitals in Kenya.

The study concluded that corporate governance has a significant relationship with organisational performance of Faith-Based Hospitals in Kenya. There is a strong correlation between corporate governance and organizational performance, which includes the ways in which an organization's operations, strategic direction, and general success are influenced by its governance structures, practices, and principles. In line with stakeholders' interests, effective corporate governance guarantees accountability, openness, and fairness in the management decision-making process. Better decision-making, more operational effectiveness, and greater risk management are all possible outcomes of this alignment, and they all support higher organizational performance. Bad governance, on the other hand, can result in bad management, unethical behavior, and a decline in investor confidence, all of which can have a negative impact on performance.

The findings are supported by Jalilvand et al (2024) who observed that hospital accountability pertains to being in charge of the general standard of treatment and patient safety. The structures and procedures that establish the hospital's strategic direction as well as the methods by which resources are gathered and distributed to meet those goals are collectively referred to as hospital governance. By establishing priorities and objectives, formulating strategies, forming organisational cultures, and creating organisational control systems, hospital governing bodies play a crucial role in monitoring quality and safety. A clear definition of desirable goals or objectives (the object of accountability), the capacity to measure and monitor goal achievement, and a set of sanctions for providers or organisations if goals or objectives are not met are the three pillars upon which an accountability regime is always built. One of the primary drivers of health system reforms in recent years has been enhancing the accountability of healthcare organisations. Accountability has been presented in studies as a means of enhancing transparency and raising the standard of healthcare.

The study's findings are consistent with those of Sakarneh, Elhawi, and Al-Najjar (2021), who found a statistically significant influence on the aspects of stakeholder role, disclosure, and transparency, as well as the board of directors' duties on the legal dimension. As a result, as was already noted, CG dimensions are crucial in establishing the legislative framework that governs hospitals. Therefore, expanding the role of stakeholders, the level of disclosure and transparency, and the scope of the Board of Directors' responsibilities will all have a positive impact on the legal responsibilities dimension by increasing these hospitals' interest in the legal area. On the other hand, there was no statistically significant impact of the variable with a strong and efficient foundation for CG on the legal dimension. The study's findings demonstrated that the variables of stakeholder rules, disclosure, transparency, and the board of directors' responsibilities all had a statistically significant effect on the ethical component. The researcher explained this result by demonstrating how these characteristics contribute to the development of an ethical act of action that enables management and all hospital staff to adhere to, thereby avoiding the ethical aspect. In order to compel members of the Board of Directors to manage their plans in accordance with a defined strategy, it is necessary to develop strong legal and regulatory foundations. This is because any plan or strategy can be aligned with the vision and mission of hospitals. Additionally, they must practise openness and disclosure in all of their actions, including the decision-making

process. Hospitals must simultaneously prioritise the responsibility component, which may be strengthened by equitable policies and procedures that, in turn, can encourage employees to act morally. Healthcare facilities need to consider staff equality while establishing policies. In order to advance with the management and administrative structure vision, rules must be deemed appropriate and legally binding. Hospitals ought to continue to focus on openness and disclosure. According to the researchers, this can be accomplished by creating laws and regulations that control and regulate the disclosure and transparency process towards the neighbourhood and all parties involved in environmental practices.

Hospital governance leadership is not like that of other organisations or sectors. Governments and the general public are always pressuring the hospital's external environment to use resources more wisely (Wallenburg, Quartz, & Bal, 2019). In the hospital's internal environment, a variety of independent specialists, including doctors, nurses, paramedics, financial affairs, and management specialists, interact with each other and hold each other accountable for the complicated task of accomplishing hospital goals (Scholten, Muijsers-Creemers, Moen, & Bal, 2019). Robust corporate governance frameworks guarantee the transparency and accountability of decision-making procedures. The promotion of trust among stakeholders, including as customers, employees, investors, and regulators, can be facilitated by openness. Better performance outcomes may result from stakeholders' trust in the integrity of the organization's governance. Corporate governance systems frequently incorporate risk identification, assessment, and management techniques (Mallin, 2018). Through the implementation of comprehensive risk management procedures, companies can effectively address possible hazards and use favorable circumstances, ultimately protecting their operations and long-term viability. Processes for making strategic decisions are facilitated by good corporate governance. As a component of the governance framework, boards of directors offer supervision and direction for strategic planning (Mallin, 2018).

When decisions are made in a way that is consistent with the organization's mission, vision, and values, more impactful and cohesive strategies that improve performance are produced. Accountability is guaranteed at all organizational levels by corporate governance practices including management and executive performance evaluation standards. Holding managers

responsible for their deeds and performance can encourage them to pursue efficiency, creativity, and quality, which will improve the performance of the organization (Mallin, 2018).

Good corporate governance techniques can draw in investment capital and boost investor trust. Since they see these businesses to be less risky and more likely to provide sustainable profits, investors are more likely to put their money into companies with clear governance structures and robust supervision procedures. An organization's culture of justice, integrity, and moral behavior is fostered by effective corporate governance. Higher levels of engagement, motivation, and productivity can result from employees feeling that their interests are being protected and that decisions are handled fairly and honestly. This can eventually boost organizational performance (Tricker, 2019).

Several researchers have discovered a favorable relationship between organizational performance and efficient corporate governance systems. According to Adams and Ferreira (2019), robust board structures, independent directors, and efficient monitoring procedures have a beneficial impact on financial performance indicators like return on equity (ROE) and return on assets (ROA). Effective corporate governance procedures are frequently linked to higher shareholder value development, claim Bebchuk and Cohen (2020). Research indicates that companies with robust governance frameworks typically witness increased stock market returns and superior long-term financial outcomes in contrast to those with feeble governance processes.

Stability within the firm and improved risk management are two benefits of good corporate governance processes. According to research, companies that have strong governance processes are better able to recognize and manage risks, which lowers financial performance volatility and increases resilience in times of economic downturn (Hermalin & Weisbach, 2019). In addition to encouraging innovation, corporate governance directs strategic decision-making procedures. According to studies, boards with a variety of experience and independent supervision are more likely to encourage innovative projects and make wise strategic decisions that promote competitiveness and long-term growth (Pugliese, Minichilli, & Zattoni, 2018).

Good governance procedures help to improve an organization's reputation and foster stakeholder trust. Building stronger ties with stakeholders - such as investors, clients, staff, and regulators - through open and honest decision-making procedures, moral behavior, and accountability

frameworks might eventually improve performance (Chen et al., 2020). Adding upstream entities, such as the Board of Trustees, to the hospital governance structure is a common model of hospital governance used to address accountability issues (Thiel, Winter, & Büchner, 2018). Every organization's success, especially hospitals, is significantly impacted by having an impartial, watchful, and professional board (Thiel, et al., 2018). A well-performing hospital can guarantee that patients receive the right care and treatment while maintaining economic and financial sustainability if it is supported by a strong and efficient board. According to some research, a common element contributing to the ineffectiveness of different governance arrangements is the public hospitals' poor oversight and response to quality-related problems (Thiel, et al., 2018).

It is widely acknowledged that governance is essential to health systems' accountability. Despite this acknowledgment, there is ongoing debate over what constitutes accountable governance, and there is still uncertainty about the relationship between interventions in the governance structure of hospitals and their impact on health outcomes. It is frequently necessary to improve understanding and documentation of links or activities connected to governance. Due to a lack of data, hospital governance structure reforms may be reluctantly funded, and an over dependence on a small number of well-performing governance interventions may arise (Pronovost, Armstrong, Demski, Peterson, & Rothman, 2018). Public hospitals are vital to health systems, necessitating a responsible governance structure.

Ensuring the accomplishment of the overarching goal, facilitating accountability, taking responsibility for efficient and effective performance, and exhibiting ethical behavior in operations are all made possible by the vital role that strong corporate governance plays in firms. Regardless of the market or the industry environment, Claessens and Yurtoglu (2018) and Hopkin (2019) concur that improved corporate governance adds value and benefits firms through increased access to financing, a lower cost of capital, better performance, and more favorable treatment of all stakeholders. This is the reason that the faith that investors and the general public have in the corporate governance of many, if not all, not-for-profit faith-based hospitals greatly affects their financial success and sustainability.

According to Sanda, Milkailu, and Garba (2019), corporate governance refers to the strategies used by all parties with an interest in the company's operations, or stakeholders, to ensure that the

management team and other insiders take safety measures or put in place procedures that safeguard their interests. An organization with a strong corporate governance framework is shielded against actions that could cause it to experience financial difficulties down the road (Bhagat and Jefferis 2020). The major responsibility of the board of directors is to protect the interests of the shareholders by closely observing the performance of management. Inadequate financial knowledge within the board may impede its responsibility to oversee and assess management operations.

Shaw (2018) suggested that having knowledgeable board members could aid a company in meeting its goals for financial performance. An efficient corporate structure helps the firm by providing excellent services to all stakeholders, lowering the cost of capital, improving access to financial resources, and improving overall performance. This boosts the sustainability and profitability of the businesses (Claessens et al., 2023). Conversely, poor corporate governance standards result in agency issues, raising the firms' agency costs. Gathura (2019) found a linear association between performance, board meeting frequency, CEO and board compensation, and the financial performance of manufacturing companies listed on the NSE. The study examined the relationship between key aspects of corporate governance and financial performance. It has been discovered that board composition affects a company's performance.

It is generally acknowledged that improved performance results from the division of executive management of organizations and board operations as opposed to management concentration (Abdullah, 2024). Because a larger board brings a wider range of resources and expertise to the table, it has also been found to boost firm performance (Daily et al., 2023). According to Sanda et al. (2019), having a large number of independent directors boosts management's oversight function and improves organizational performance. In order to safeguard the owners' financial investment and organizational resources, the board should implement an appropriate internal control system.

Afriyie et al., (2020) found that there should be a critical threshold for board size since a larger board may induce delays in making decisions, which could have a negative impact on performance in her study of German hospitals. According to Adams and Ferreira (2019), there is a positive association between board size and performance since a smaller board of directors may be less effective than a larger one. Both internal and external directors make up a board of directors; the

former are copies of non-directors, while the latter have no official status within the organization. It is less likely for managers to plot together or utilize business resources in a cruel manner when external directors are more competent, independent, and easily accomplish corporate monitoring goals than internal directors. Due to their ability to guarantee that patients get a fair return on their investment, hospitals with strong corporate governance practices typically draw in more patients. The hospital performs better when there is strong corporate governance because policies and strategies are followed.

The results of the study support the contention made by Yang, Yan, Fang, Inamdar, and Lin (2018) that hospital governance practices can foster innovation. Hospital boards and executive management who are interested in encouraging innovation inside their institutions may find this material helpful. Hospital boards should specifically promote more information openness to the public in the areas of finance, healthcare quality, accounting, and audit systems in order to spur innovation. Hospital boards may also improve the way that decisions are made when it comes to innovation by involving additional board members, clearly defining the extent of executive management's authority, and regularly taking part in strategic decision-making to promote creative projects. In order to report on and track further advancement, hospital boards should also think about creating a range of indices that gauge hospital innovation in the fields of research and practice.

The results of the current study, which note that having both insiders and outsiders on the company board enhances financial performance, are also supported by Puni and Anlesinya's (2020) research. In a similar vein, the frequency of board meetings and the ownership/concentration of shareholders often have a beneficial effect on financial success. Nonetheless, the existence of board committees often had a detrimental effect on financial performance, whereas CEO duality had no such effect. The following conclusions have important ramifications: firstly, the research filled in gaps in the general corporate governance literature about the lack of agreement regarding the financial effects of corporate governance procedures. The discovery advances understanding by offering fresh and unique proof that certain of the corporate governance practices in place today are ineffective at reducing the agency problem in developing countries.

According to Arora and Bodhanwala (2018), corporate governance index (CGI) improves every performance metric save earning per share (EPS). Effective monitoring of a company's performance appears to be facilitated by a board structure that includes a suitable number of independent directors. The promoters' interest, institutional holdings, independent directors, board meetings, and other factors are essential to the operational and decision-making components of a corporation that result in higher profitability. Employees, investors, regulators, and suppliers - among the various groups that engage with the company - may become more confident if companies are encouraged to adhere to corporate governance principles and disclose them transparently. The substantial correlation between strong corporate governance standards and business performance is further supported by the findings of the influence of CGI on firm profitability. Enhancing corporate governance practices seems to benefit businesses' performance. Further, Joseph (2019) argues bureaucracy in healthcare plays a crucial role in the realisation of funds for clinical services. It is imperative that this process be handled with great care in order to achieve a significant impact on clinical governance and service delivery in corporate planning for health care. To reiterate, the board of management's regular reviews of the ratio and clinicians to patients is crucial to realising the full effects of corporate planning in clinical governance and service delivery in the health care industry. Without this regular review process, it is challenging to recognise the effects of corporate planning in clinical governance and service delivery in the health care industry.

5.2.2 Mediating Effect of Service Innovation on the Relationship Between Corporate Governance and Organisational Performance

The second objective was to examine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study finding indicated a partial mediating role of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The objective was achieved. The second hypothesis stated in the null form that: **H₀₂**: There is no significant mediating effect of service innovation on the relationship between corporate governance and organizational Performance of Faith-Based Hospitals in Kenya. The mediating

effect of service innovation on the relationship between corporate governance and organizational Performance of Faith-Based Hospitals in Kenya was analysed in 4 steps. The results indicated that step 1, 2, 3 and 4 were met as the P-value were below 0.05. Therefore, this indicated that there exists a partial mediation effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

Innovative services that better suit the requirements and preferences of customers can be developed through service innovation supported by sound corporate governance principles. Organizations can enhance customer satisfaction, loyalty, and retention by comprehending and catering to consumer wants, which can ultimately lead to improved organizational performance (Chesbrough & Vanhaverbeke, 2019). For businesses, service innovation can be a source of competitive advantage that helps them stand out from rivals and gain market share. The creation and execution of innovative services can be facilitated by corporate governance procedures that support innovation, such as strategic leadership, risk management, and resource allocation, hence enhancing the competitive position of the firm (Baden-Fuller & Haefliger, 2018). The potential for increased revenue and cost reductions via service innovation can have a favorable effect on financial performance. The successful implementation of innovative services can be facilitated by effective corporate governance procedures, such as financial supervision and innovation investment. These policies also guarantee the efficient allocation of financial resources, which can improve financial outcomes (Lee, Lee & Rho, 2020).

A robust corporate governance framework can foster service innovation and support an organization's long-term viability. Organizations may withstand upheavals and pressure from the competition by consistently innovating and adapting to shifting client wants and market conditions. Organizations can handle volatility and position themselves for long-term success by prioritizing innovation and strategic planning through corporate governance systems (Westermann-Behaylo & Herbane, 2018).

Sheikh et al. (2021) states that striking the best balance between top-down and bottom-up implementation, enhancing usability and interoperability, building capacity for handling, processing, and analysing data, addressing privacy and security concerns, and promoting digital inclusivity are the top priorities for strengthening health information technology in the UK.

Opportunities for the future and present include creating real-world data, investing in health data science research, developing robots and artificial intelligence, fostering public-private collaborations, and integrating electronic health records among health and care providers. There are several moral dilemmas and unexpected repercussions from the use of health information technology. To solve these, public-private partnerships must be established, regulatory frameworks for the creation, administration, and acquisition of AI and health IT systems must be developed, and AI must be used in the health sector in a way that is both morally and securely acceptable.

Shaw (2018) postulates that although digital tools have demonstrated a great deal of promise to improve health care's ability to accomplish the triple aim - improving patient outcomes, controlling or reducing costs - their real impact is still unclear. Numerous advancements in digital health have the potential to lower costs for the healthcare system, enhance patient satisfaction, and improve health outcomes, but their effects are yet patchy and narrow in scope. Scholars have tackled an array of topics concerning more comprehensive approaches to producing practical health innovations, and the field of implementation science has elucidated some crucial factors to take into account when integrating technology into novel healthcare delivery contexts. The close relationship between new digital tools and the adjustments they require to the actual provision of health care services is a crucial element of successful digital health innovation, but it has not received enough attention in academic literature, despite recent advancements in implementation science. Pacifico, Lehoux, Miller, and Denis (2018) emphasise the importance of responsible innovation, which improves the capacity to address health disparities while attending to collective needs, responds appropriately to current health system challenges, produces high-quality, reasonably priced products, is in line with business strategies that enable an organisation to yield greater value for consumers, buyers, and society, and minimises the adverse environmental effects of health innovations.

Caregivers have less and less time for direct patient care chores since administrative constraints in the healthcare industry have increased over the past several years (Seto, Inoue & Tsumura, 2014; Vollmer, Prokosch, & Bürkle, 2014). Using smart devices at the point of care (POC) to offer carers access to information is therefore a potential way to enhance patient outcomes and lessen

administrative workloads (van Rooij & Marsh 2016). Health care service providers may access and evaluate aggregated field data using smart devices, and they can dynamically modify their service systems to meet the requirements of their patients. Many service improvements are based on the rapid development and broad deployment of smart devices (Barrett, Davidson, Prabhu & Vargo, 2015). However, the health care industry has not yet widely adopted well-known smart gadgets like smartphones and tablets. Health care professionals frequently use both hands to perform their tasks, which makes it challenging to engage with the device while at work (Czuszynski, Ruminski, Kocejko & Wtorek, 2015; Mitrasinovic et al. 2015). This is one of the primary causes of this. The challenge for health care providers worldwide is to reduce costs while maintaining patient outcomes. It is acknowledged that addressing this dilemma requires a digital transition (Gopal, Suter-Crazzolaro, Toldo & Eberhardt, 2019). In the healthcare industry, hands-free technology engagement is frequently necessary due to hygiene regulations (Hatscher et al. 2017).

5.2.3 Moderating Effect of Government Regulations on the Relationship Between Corporate Governance and Organisational Performance

The third objective was to determine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study thus rejected the null hypothesis and adopted the alternative hypothesis that there is an enhancing moderating effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The objective was achieved. Baron and Kenny (1986) moderation was used. The third hypothesis stated in the null form that: H₀₃: There is no significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. This was done in 3 steps according to Baron and Kenny (1986) method. Results indicate that the P value of the interaction term (CG*GR) is 0.000 < 0.05 and the R square increased from 61.3%, to 67.9% and 80.4% after the interaction term and thus, government regulations moderate the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Therefore, the findings revealed that, the introduction of government regulations had an enhancing moderating effect on the relationship

between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study thus rejected the null hypothesis and adopted the alternative hypothesis that there is a significant moderating effect of government regulations in the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

To guarantee patient safety and top-notch care, hospitals, whether faith-based or private, are required to abide by strict government standards. The procedure entails abiding by set guidelines covering a broad spectrum of operational factors, such as staff credentials, patient care protocols, and facility infrastructure. According to a study by Jovic, Wallace, and Lazzara (2019) faith-based hospitals create a special setting for the provision of healthcare by attempting to balance these regulations with their religious beliefs while simultaneously navigating these requirements. In order to receive government money, hospitals must adhere to strict service delivery requirements. In the US, these programs are Medicare and Medicaid.

Even if they are qualified for this kind of funding, faith-based hospitals encounter difficulties when government regulations dictating how they must provide services clash with their beliefs, especially when it comes to start / end-of-life and reproductive health care. De Vita and Twombly's (2018) paper states that faith-based hospitals frequently negotiate or request exclusions in order to reconcile their religious beliefs with financing eligibility and regulatory compliance.

Conscience clauses give faith-based hospitals the legal authority to reject medical treatments that go against their moral or religious principles. Sheen (2021) examines how these provisions uphold religious liberty while also posing moral and legal questions, particularly in relation to healthcare access. Finding a middle ground between patient rights and religious freedom is a common strategy used by politicians and healthcare professionals to resolve conflicts. Government regulations and religious precepts provide two distinct sets of ethical norms that apply to faith-based hospitals. According to Reiser (2019), there may be tensions resulting from this dual framework, especially when it comes to issues like informed consent and patient autonomy. Providing care that is in line with religious beliefs and morally upright from a secular standpoint is a difficulty for faith-based institutions.

Faith-based hospitals frequently offer extensive community benefit initiatives and charitable treatment as part of their purpose. These actions are occasionally required by government

restrictions, particularly in order to preserve tax-exempt status. According to Longest (2020), faith-based hospitals usually go above and above these standards because it is their religious duty to provide care for the underprivileged and disenfranchised. This feature enhances the hospitals' religious mission and community links while also meeting regulatory requirements.

5.2.4 Mediated Moderation Effect on the Relationship Between Corporate Governance and Organisational Performance

The fourth objective was to determine the mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The fourth hypothesis was stated in the null form that: H_{04} : There is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The study rejected the null hypotheses that there is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. The objective was achieved.

Hayes and Rockwood (2020) model for mediated moderation was adopted. The results indicated that in step one, the regression model of corporate governance on service innovation was significant. In step two, the results show that the regression model of corporate governance government regulations, service innovation and the interaction term service innovation * government regulations on organisational performance of Faith-Based Hospitals in Kenya was significant. Since, the p value for the mediated moderation term (GR*SI) was $0.000 < 0.05$ less than the critical value 0.05, the study rejected the null hypotheses that There is no significant there is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

The study adopted the alternative hypothesis that there is a significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya. Healthcare corporate governance refers to the structures, tenets, and procedures that regulate the direction and management of healthcare institutions. It includes the processes by which businesses define goals, track progress, maintain legal compliance, and allocate resources in order to meet healthcare targets. Better patient outcomes, increased operational efficiency, and financial stability are all possible results of effective governance in

healthcare facilities (Dion & Evans, 2024). The performance of healthcare facilities and corporate governance can be mediated by organizational culture. A culture that prioritizes patient care, ethical behavior, and ongoing improvement can improve governance procedures' efficacy and produce better results.

A culture that prioritizes accountability and openness, for instance, may make it easier to implement governance policies, which would boost output and patient satisfaction (Heracleous, 2023). The correlation between corporate governance and healthcare facility performance may be attenuated by the degree of regulatory compliance. Strong adherence to healthcare standards and regulations may enhance the favorable effects of excellent governance on performance in facilities. However, because of the risk of fines from the government, diminished patient confidence, and other problems, institutions with low compliance may not see as big of a gain in performance from governance methods (Naranjo-Gil, 2019). The impact of corporate governance on facility performance can also be mitigated by the management and senior leadership styles in the healthcare industry. Participatory and transformational leadership philosophies can help create an atmosphere where governance procedures are applied more successfully, improving performance. On the other hand, authoritarian leadership philosophies could counteract the benefits of good governance procedures on facility results (Beasley et al., 2018).

Another mediator in the relationship between corporate governance and healthcare facility performance is the influence of innovation and technology. Effective governance can direct investments in healthcare innovation and technology to improve patient safety, streamline operations, and improve care delivery. This helps mitigate the negative effects of governance on the overall performance of the facility (Westphal & Zajac, 2018).

Finding common ground between advances in hospital administration and implementation reveals obstacles that healthcare organisations need to overcome to successfully integrate these technologies. The biggest of these difficulties is staff and healthcare professionals' aversion to change. Adoption of innovation can be severely hampered by deeply rooted traditional practices in the organisational culture that may create resistance to adopting new procedures or technologies (Leonard, de Kock, & Bam, 2020). Another major obstacle is money, which is particularly problematic for hospitals with little funding. Adopting new technologies and reorganising

management procedures can be quite expensive. This can impede progress. The process of allocating funding for upfront investments gets intricate, which may impede the adoption of important breakthroughs.

Interoperability problems across various healthcare technology and systems also provide a significant difficulty. The smooth transmission of patient data and information is hampered by incompatibilities between new and outdated systems, which limits the potential advantages of integrated healthcare administration (Leonard et al., 2020). As worries regarding patient data security and privacy arise due to technology integration, these issues become crucial challenges. Robust regulatory mandates and the imminent risk of data breaches could potentially hinder the extensive use of inventive solutions. Finally, there are difficulties in efficiently applying technology and innovative management techniques in worker training and education. The necessity of comprehensive education initiatives in the changing healthcare landscape is highlighted by the fact that healthcare personnel are unable to successfully integrate innovations due to inadequate training programmes (Leonard et al., 2020).

The study's conclusions are consistent with those of Berry (2019), who notes that providing for the requirements of patients in the healthcare industry is a particularly difficult environment. But the need for service innovation in healthcare is particularly pressing due to the need, complexity, expense, and highly emotional nature of the service, as well as technical advancements and industry competitive dynamics. A culture of innovation that creates value and advances the interests of all parties involved is being successfully established by forward-thinking healthcare facilities across the country via the implementation of strategic and operational service improvements. They value institutional self-confidence, see constant innovation as an unachievable goal, and integrate patients and families in the innovation team. There is a critical need for service innovation in the cancer care sector in particular, and several forward-thinking oncology centres are exemplifying how to enhance the patient and family service experience. It is now vital that service innovation become ingrained in the operations of all healthcare institutions.

Carroll (2022) contends that nurses, who possess both a strong understanding of these technologies and an inventive spirit, are essential to the development, implementation, dissemination, and sustainability of new technologies in digital health. With the COVID-19 pandemic clearly in mind,

new technologies are developing steadily and helping to offset customers' rising healthcare expenses. Despite their increasing use in digital health, new technologies present a variety of opportunities and concerns. These include digital health tools and technical interoperability; they also encompass ethics, trust, information security, and access to new technology and health literacy. As digital health advances, there are several opportunities for all nursing specialties - including informatics - to use and adapt tried-and-true community health models that are both practical and long-lasting. Nurses need to acquire new skills in order to use the foundational new intelligent, connected, and personalised technologies in digital health if they want to remain relevant in the constantly changing field.

Minimum safety and quality requirements are set forth in regulations for healthcare facilities. These covers regulations pertaining to the use of medical equipment, pharmaceutical safety, facility hygienic practices, and patient care. Healthcare institutions can lower the frequency of medical errors and enhance patient outcomes by following these guidelines. To prevent breaches and exploitation of patient information, the Health Insurance Portability and Accountability Act (HIPAA) was implemented in the United States and establishes stringent criteria for patient data privacy and security (Edemekong, Annamaraju & Haydel, 2018).

Enhancing access to healthcare services can also be the goal of government policies. Hospitals are required by laws like the Emergency Medical Treatment and Active Labor Act (EMTALA) to treat anybody in need of emergency medical care, regardless of their nationality, immigration status, or financial situation. By guaranteeing the general people's access to necessary services, these laws advance public health and welfare (Zhou, Amanatullah & Frick, 2019). According to Moro Visconti and Morea (2020), there are frequently contradictory and complicated relationships between spending and medical technology. Different technologies have different effects on costs; some (such cancer medications and invasive medical equipment) have major financial ramifications, while others have no effect at all or a negative financial impact. The use of technology in medicine is growing in the twenty-first century. Medical technology is becoming more and more expensive, and this is a factor in the skyrocketing prices of healthcare, in contrast to many other sectors of the economy. A rising number of medical experts associate advancements in medicine with the increased use of advanced technology, which is sometimes costly and out of the reach of the general public. While technology in relation to physical goods - like infrastructure

or diagnostic equipment - has an ambiguous cost-benefit trade-off, digital investments often have a shorter payback period, are less expensive, and provide better returns overall.

For healthcare facilities, compliance to government standards comes at a hefty expense. These can include paying for employee training to adhere to new regulations, making technological investments to fulfill electronic health record (EHR) standards, and covering the administrative expenses of compliance monitoring and reporting. Healthcare providers' financial resources may be strained by these investments, especially those of smaller facilities, even while they may enhance treatment and operational effectiveness (Pai et al., 2021). Rules like those mandating the use of EHRs can increase operational effectiveness by simplifying care coordination and facilitating patient data accessibility. However, there are significant upfront and ongoing costs associated with the adoption and upkeep of such systems, in addition to modifications to current operations. Regulations have the potential to both help and impede innovation. On the one hand, laws that support the application of state-of-the-art medical technology can stimulate innovation in the industry. However, strict regulatory approval procedures might cause innovative medications and medical devices to be delayed in reaching the market.

The study by Chodhari and Chakravorty (2024) makes it clear that governments must make difficult decisions since medical advancements have both risks and benefits. These developments take place in a number of areas, such as the basic sciences, medication development, healthcare delivery, and corporate and organisational structures. Innovations pertaining to medical technology in particular are thriving; throughout the past ten years, medical technology patents have increased in number and growth rate relative to pharmaceutical patents. Millions of investor resources are lost in too many failed attempts, even with this massive investment in innovation and the huge potential for innovators to succeed. Disruptive innovation is frequently hampered by the public's fear-based legislation, strict regulations implemented by entrenched experts fearing job loss, and hospitals' costly system investments.

Regulations pertaining to staff-to-patient ratios, working conditions, and professional licensure requirements have an impact on the management of the healthcare workforce. Although the goal of these restrictions is to guarantee a skilled, evenly distributed workforce, they may potentially exacerbate staffing shortages and raise operating expenses. Healthcare institutions are required to

conduct their operations in a way that safeguards the public's health by following regulations that address environmental health issues, such as waste management and the disposal of dangerous materials. In order to protect the environment and advance community health, adherence to these regulations is essential (de Mello et al., 2022).

Chen, Leung, and Evans (2018) provide additional support for the findings, indicating that a stronger positive correlation exists between female board representation and corporate innovation in product markets with lower levels of competition and higher levels of manager entrenchment. This is consistent with the idea that increased oversight by female directors enhances managers' incentives to innovate. Moreover, the findings of the study indicate that there is a favourable correlation between female board presence and performance, but only in companies where innovation and creativity are highly valued. According to Bolton and Zhao (2018), corporate governance settings that either offer incentives to take advantage of innovation's option value or to make long-term investments in it are what lead to innovation. The study's findings support these ideas and provide a more comprehensive knowledge of how the distinct characteristics of corporate governance dynamics can have various effects on various organisations under various circumstances.

The report provides two main policy recommendations for businesses seeking to increase their level of innovation. Initially, boards need to be empowered and encouraged to concentrate on long-term plans. Secondly, the professional connections and endeavours of directors hold significance. Our research should assist businesses in creating corporate governance structures that are more closely matched to the ways in which they may add value as different corporate governance models produce different results.

Apart from the aforementioned two policy implications, this study adds three noteworthy additions to the body of knowledge on corporate governance and innovation. First, a thorough examination of the ways in which various corporate governance practices affect a company's ability to innovate must be provided. Second, the process by which certain director actions result in trade-offs in the boardroom has to be streamlined. Thirdly, it is necessary to demonstrate that some methods that have been demonstrated to be generally associated with excellent corporate governance may not be helpful in fostering long-term innovation. One size does not always fit all, and different corporate governance metrics may not have the same effects on various organisations. Corporate

governance is a very complex concept. The study attributes these results to the fact that human people have a role in corporate governance, and the characteristics of these persons will dictate how corporate governance is implemented at each company. In order for firms to better structure their corporate governance systems to meet the unique objectives of each firm, researchers must first understand the dynamics that occur between directors in the boardroom, the professional experiences of key individuals in the corporate governance functions, and the personal and professional incentives of the key individuals responsible for executing value-creating initiatives.

The summary of the key findings is presented in Table 41.

Table 41: Summary of Key Findings

Objectives	Hypotheses	Findings	Conclusion
<p>Objective 1 To establish the effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>H01: There is no significant relationship between corporate governance and performance of faith-based hospitals in Kenya.</p>	<p>R Square = 0.613 F statistic= 392.200 t-value = 19.804 $\beta = 0.646$, P-value = 0.000<0.05</p>	<p>There is a positive and significant effect of corporate governance on organisational performance of Faith-Based Hospitals in Kenya.</p>
<p>Objective 2 To determine the mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>H02: There is no significant mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>R Square Step 1= 0.613 Step 2= 0.659 Step 3= 0.794 Step 4= 0.804 Step 1, 2, 3 and 4 were met as the P-value were below 0.05.</p>	<p>There is significant mediating effect of service innovation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>
<p>Objective 3 To examine the moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>H03: There is no significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>R Square Step 1=0.613 Step 2=0.679 Step 3=0.804 P value of the interaction term (EM*SE) is 0.000<0.05 and the R² increased from 61.3%, to 67.9% and 80.4% after the interaction</p>	<p>There is a significant moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>
<p>Objective 4 To determine the mediated moderation effect of service innovation and government regulation on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>H04: There is no significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>	<p>R Square Step 1=0.613 Step 2= 0.804 The p value for the mediated moderation (GR*SI) was significant 0.000<0.05 was less than the critical value 0.05</p>	<p>There is a significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.</p>

Objectives	Hypotheses	Findings	Conclusion
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Summary and conclusion of the study are presented in this chapter. All the research objectives of this study were achieved as all null hypotheses were rejected and all alternative hypothesis were accepted. The study therefore concluded as follows; corporate governance has a significant relationship with organisational performance. Additionally, there exists a partial mediating effect of service innovation on the relationship between corporate governance and organisational performance. Finally, the study concluded that there is a significant enhancing moderating effect of government regulations in the relationship between corporate governance and organisational performance, and that there is a significant mediated moderation effect on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

5.3 Recommendations

The study examined the interactions between corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals in Kenya. The recommendations described in this chapter are derived from the interpretation of findings and conclusions of the study. The adoption and implementation of the recommendations which also includes areas requiring further research will contribute towards the growth and development of theory, policy and practice. Based on research findings and conclusions of this study, the key recommendations are described in these sub-sections; policy, practice and theory.

5.3.1 Recommendations on Policy

The study has examined ways by which corporate governance affects organisational performance of Faith-Based Hospitals in Kenya. Also, the study examined the mediating effect of service innovation and moderating effect of government regulations on the relationship between corporate governance and organisational performance of Faith-Based Hospitals in Kenya.

In order to guarantee strategic direction, accountability, and moral governance practices, the study advises the organization to strengthen the capability and supervisory responsibilities of hospital boards in faith-based institutions. Policies requiring regular reporting and disclosure of hospital performance indicators and governance processes to stakeholders should be put in place by the government. In order to make sure that hospital operations meet the requirements and expectations of the communities they serve, it is also important to develop systems for including a variety of stakeholders in governance processes, such as personnel, patients, and the community. Hospital

administrators and board members should have access to ongoing education and training on best practices in corporate governance and hospital management from government and regulatory organizations.

Government should provide a directive to the faith-based hospitals to implement industry-recognized best practices and corporate governance frameworks that are customized for Kenya's particular healthcare delivery environment. Faith-based hospitals should get assistance from government and regulatory agencies in putting these governance reforms into practice, as well as possible rewards for compliance. Provide funds from the government or donors expressly for the creation and introduction of cutting-edge medical services at hospitals affiliated with religious organizations. To promote service innovation, encourage collaborations between faith-based hospitals and tech firms or academic institutions.

The government should provide medical professionals at faith-based hospitals with up-to-date training on the newest advancements and technologies in healthcare. Simplify the regulations governing faith-based hospitals' adoption of innovative medical services and technology. Create regulations that allow communities to participate in the innovation process and guarantee that the services created are tailored to the particular needs of the communities that faith-based hospitals serve.

Decision-makers should create rules that take into account the distinct goals and management styles of faith-based hospitals, allowing them to achieve their objectives for healthcare delivery without being overly burdened. Encourage regular communication between faith-based hospitals and the government to handle regulatory issues and coordinate on healthcare delivery objectives.

Government should think about providing specialized assistance or regulatory relief for faith-based hospitals, particularly in areas that are essential to their operations including compliance, licensing, and reporting. Encourage and assist faith-based hospitals in implementing new services and expanding their capabilities in order to comply with regulations and enhance patient outcomes. Make sure that rules from the government are transparent, foreseeable, and easy to understand. Establish guidelines that will assist faith-based hospitals in complying with the law without sacrificing their moral principles or business operations.

5.3.2 Recommendations on Practice

The study showed that each of the tested variables had an effect on organisational performance of Faith-Based Hospitals in Kenya either individually or jointly. The findings suggested that corporate governance in organisational performance of Faith-Based Hospitals increases the productivity thereby enhancing organisational performance. The empirical data generated will be useful to the government and other sectors in formulating policies aimed at improving corporate governance and performance. To guarantee accountability and strategic direction, clearly faith-based hospitals should define the tasks and responsibilities of the board of directors. To establish credibility and trust, faith-based hospitals should use open and honest decision-making procedures and consistent communication with stakeholders, encourage a company culture built on moral precepts and religious beliefs, and make sure that these values are reflected in every aspect of the business, build the organization's leadership capabilities to lead innovation in healthcare services and overcome obstacles. Establish closer relationships with the neighborhood to better understand and address its healthcare needs, ensuring that services are in line with the goals of faith-based care. Respect the rules governing healthcare as well as moral principles to protect patients and provide high-quality care.

Faith-based hospitals should encourage employees to take part in training courses that cover customer service, quality control, and innovative service methods. Giving staff members continual learning opportunities can improve their abilities and expertise, enabling them to support organizational innovation projects. Encourage an environment at work where experimentation, creativity, and teamwork are valued. Encourage employees to come up with and discuss ideas for enhancing patient care and offerings. Acknowledge and honor creative initiatives to inspire staff members and sustain an inventive culture. Get input on healthcare services from patients, their families, and community members to learn about their needs, preferences, and expectations. Engage stakeholders in the process of designing and improving services to make sure that innovations meet their needs and improve results.

To improve service delivery and efficiency, faith-based hospitals should embrace advances made possible by technology, such as telemedicine, electronic health records, and mobile health applications. Invest in strong IT systems and infrastructure that encourage creativity and help healthcare providers communicate and work together. Establish collaborations with other

healthcare organizations, educational institutions, governmental bodies, and nonprofit groups to share best practices, foster knowledge sharing, and pool resources for creative endeavors. Working together can result in the creation of novel solutions to shared problems that enhance patient care throughout the healthcare system. Create key performance indicators (KPIs) to evaluate how service innovations affect the performance of the organization.

Faith-based hospitals should Keep a close eye on innovation projects that impact on patient outcomes, satisfaction, operational effectiveness, and long-term financial viability. Make well-informed decisions regarding the allocation of resources and strategy by utilizing data-driven insights to pinpoint areas that require development. Gain support and buy-in from the leadership for service innovation projects by outlining the advantages that could arise in terms of better patient care, enhanced organizational reputation, and long-term viability. Give leaders the authority to promote innovation initiatives and allot funds for such initiatives. Understand that the process of innovation is iterative and involves trial and error as well as learning from both successes and mistakes. Encourage employees to adopt a resilient and continuous improvement mindset so they can accept change and adjust to changing patient needs and market conditions.

It is imperative for faith-based hospitals to proactively interact with government agencies and lawmakers in order to champion policies that are equitable, transparent, and aligned with their primary objective of rendering healthcare services. To make sure that the interests of faith-based hospitals are reflected, this may entail taking part in policy discussions, offering feedback on new rules, and cultivating connections with important parties. It is imperative that faith-based hospitals prioritize observing current regulations and be ready to adjust to new ones when they become necessary. This could entail putting money into staff development and training to make sure workers are aware of pertinent laws and regulations as well as putting systems and procedures in place to make compliance reporting and monitoring easier.

It is important for faith-based hospitals to prepare strategically in order to foresee and lessen the effects of governmental laws on internal operations. In order to maintain or improve performance in the face of regulatory obstacles, this may entail regularly assessing the risks and opportunities associated with regulations, strategically allocating resources to meet compliance requirements, and identifying possibilities for innovation and development. Faith-based hospitals can exchange

resources, best practices, and regulatory navigating experience by working together with other healthcare providers, governmental bodies, and non-governmental groups. Faith-based hospitals can enhance their ability to adapt to regulatory changes and enhance organizational performance by forming alliances and networks.

By actively engaging in research, advocacy, and knowledge-sharing initiatives targeted at addressing regulatory challenges and promoting reforms that support the delivery of high-quality, affordable, and accessible healthcare services, faith-based hospitals can help advance healthcare policies. It is important for faith-based hospitals to interact with the community in order to spread knowledge about how government restrictions affect healthcare delivery and organizational performance. For the purpose of enabling community people to support policies that uphold the goals and principles of faith-based healthcare providers, this may entail setting up community forums, carrying out outreach initiatives, and offering instructional materials.

5.3.3 Implication for Theory

The study has reviewed expansive literature on organisational performance of Faith-Based Hospitals. Empirical studies already undertaken have paid little attention on the interactions between corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals. Not so much focus has been made on corporate governance and organisational performance of Faith-Based Hospitals and hence the rationale for this study. This research attempted to address contextual gaps that relate to corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals. The study found that corporate governance had a positive effect on corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals in Kenya.

Since they rely on donations and charity contributions, faith-based hospitals in Kenya may experience resource difficulties, especially with regard to money. Good corporate governance standards improve accountability, transparency, and financial stewardship, which can assist these hospitals in diversifying their resource base. Faith-based hospitals can reduce resource constraint and enhance organizational performance by drawing in a larger spectrum of donors and partners through reliable governance frameworks. The power relations between companies and their

resource providers are emphasized by RDT. In Kenya, faith-based hospitals frequently depend on funding for things like medical supplies, infrastructure, and staff from charitable groups, governmental bodies, and religious institutions.

The makeup of the board and the procedures used for making decisions are examples of corporate governance systems that can affect the hospitals' capacity to establish and uphold agreements with these resource suppliers. Strong governance systems may provide hospitals greater negotiating leverage and access to vital resources, improving organizational performance.

In order to respond to environmental risks, resource mobilization and allocation techniques are crucial, as shown by RDT. The dynamic healthcare scene in Kenya, where faith-based institutions operate, is marked by evolving legislative frameworks, technology breakthroughs, and demographic transitions. By assuring responsible financial management, promoting an innovative culture, and coordinating organizational goals with stakeholder expectations, effective corporate governance helps these hospitals deploy resources effectively. Faith-based hospitals can improve their performance and sustainability by allocating resources based on strategic priorities and community needs. Faith-based hospitals can create new and better healthcare services that are customized to the requirements of their communities thanks to service innovation. Through cutting-edge services like community health outreach initiatives or specialized medical treatments, these hospitals can lessen their reliance on outside funding sources like grants or donations.

This is in line with the RDT concept, which states that building internal capabilities and resources can lessen reliance on outside sources. Faith-based hospitals can draw in a variety of funding sources outside of government grants and traditional donors by implementing innovative service offerings. For instance, these institutions can make money from insurance reimbursements or private patients by offering cutting-edge healthcare treatments that appeal to a wider patient population. According to RDT, the hospitals' resilience and autonomy are increased by this financing source diversification, which lessens their reliance on any one outside source. By showing that faith-based hospitals in Kenya are committed to using creative approaches to meet community healthcare needs, service innovation might help these institutions gain more credibility.

According to RDT, these hospitals can increase their legitimacy and social relevance by providing high-quality, culturally sensitive healthcare services that live up to community expectations. This will increase their access to vital outside resources like community partnerships or government support. Governmental organizations, non-governmental organizations (NGOs), faith-based hospitals, and other stakeholders may be able to form strategic alliances and collaborations with the help of service innovation. In keeping with RDT principles, cooperative efforts to create and execute creative healthcare solutions can improve resource sharing, knowledge exchange, and group problem-solving. This can lessen reliance on any one external resource and promote organizational resilience.

Stakeholder theory states that when making managerial decisions, businesses must take a variety of stakeholders' interests into account. Thus, a stakeholder approach to corporate governance can be understood as requiring active stakeholder participation as well as resulting from it. Stakeholder engagement processes include anything from identifying important stakeholders to forming partnerships and teams for long-term projects. Although the board should not be involved in the tactical implementation of stakeholder management programs, it should make sure that the corporation is cognizant of stakeholder requirements and considers them for instrumental or normative reasons when making board decisions and corporate strategy.

According to Enric Ricart, Ángel Rodríguez and Sánchez (2005), the most successful businesses when it comes to corporate sustainability actively and purposefully include and engage stakeholders more than other businesses. The availability of resources for faith-based hospitals in Kenya may be impacted by government laws. These hospitals may experience resource shortages as a result of rigorous rules or changes in government policy that limit access to money, medical supplies, or people. The lack of resources may make faith-based hospitals more reliant on money and resources from the government or other outside sources. In order to mitigate resource dependence, RDT highlights the significance of interorganizational interactions.

In order to circumvent the resource limits imposed by government rules, faith-based hospitals may need to form strategic alliances or collaborations with other healthcare providers, government agencies, or non-governmental organizations (NGOs). Through resource sharing and reciprocal support, collaborative arrangements can improve organizational performance and assist reduce the

negative effects of regulatory changes. The RDT claims that companies use adaptive tactics to control their dependency and improve efficiency. Kenyan faith-based hospitals could have to create flexible plans in reaction to new laws. To lessen reliance on certain external resources impacted by regulatory changes, this may entail investing in capacity-building projects, diversifying financing sources, or investigating alternate revenue streams.

The RDT highlights how crucial organizational legitimacy is to obtaining vital resources. Government rules may have an impact on Kenyan faith-based hospitals' perceived legitimacy, especially in regards to their compliance with legal and moral obligations. Adherence to regulations has the potential to bolster the credibility of a company and simplify the acquisition of resources, so improving its overall performance. The RDT recommends that organizations take part in lobbying and advocacy campaigns to sway regulatory decisions in their favor. In Kenya, faith-based hospitals may push for legislative changes that further their goals and improve their capacity to provide high-quality treatment. Faith-based hospitals can influence regulatory settings to better fulfill their resource demands and enhance organizational performance by actively engaging with legislators and stakeholders.

The relationship between principals, such as owners or shareholders, and agents, such as managers or executives, is examined by agency theory along with how conflicts of interest between them may affect organizational outcomes. Government rules may act as external mechanisms to help the hospital's principals' interests and those of stakeholders, including as funders, patients, and the government. The government seeks to guarantee that the hospital's actions align with stakeholder interests by enforcing legislation pertaining to financial transparency, ethical standards, and quality of care. These measures are expected to enhance organizational performance. In order to guarantee adherence to legal mandates and standards, government rules frequently incorporate monitoring and control measures.

Government rules can serve as external monitoring mechanisms in the case of faith-based hospitals, which may have religious objectives and beliefs. This helps guard against agency issues like moral hazard and adverse selection, which can result from stakeholders' differing interests. Better organizational performance may result from improving hospital management's transparency and accountability. On the other hand, overbearing or onerous government rules could put faith-

based hospitals under more financial strain and limit their capacity to operate as an institution to the best of their abilities. Adhering to regulatory mandates could take funds away from mission-driven initiatives and patient care, which would result in inefficiencies and decreased efficacy in providing healthcare services.

Regulations that go against the stakeholders' religious principles or views may also cause friction and make implementation difficult, which would worsen performance. According to agency theory, agents may act opportunistically in order to further their personal goals at the expense of principals. Government rules may prompt management of faith-based hospitals to innovate and modify their plans and practices in order to meet legal obligations and further the goals and missions of the hospital. Positive results, including better service delivery and organizational performance, can come from this continuous process of innovation and adaptation.

Kenyan government laws, including those pertaining to patient safety, quality standards, and licensing requirements, are designed to guarantee that the public receives top-notch medical care from faith-based institutions. The government is trying to protect people's health and welfare by implementing these rules, which is in line with the general public's desire to have access to high-quality, affordable healthcare. Policies pertaining to cost, availability, and accessibility facilitate fair access to medical treatment for people from various socioeconomic backgrounds. Faith-based hospitals are required to abide by these rules in order to guarantee that healthcare services are available to all members of society, regardless of their financial situation or geographic location, as they receive government financing or regulatory monitoring.

Government rules may also be aimed at encouraging moral behavior, openness, and responsibility in faith-based hospitals. The public interest is protected by requirements pertaining to financial reporting, governance structures, and conflict of interest procedures, which guarantee that hospital management acts honorably and morally. According to public interest theory, in order to effectively meet societal needs, government rules should promote cooperation between faith-based hospitals and the larger society. Hospitals may be encouraged by regulations to participate in collaborations with local stakeholders, health education campaigns, and community outreach activities in order to advance public health and well-being. Government rules must be followed by faith-based hospitals, and they must also go through regular audits or inspections to make sure all

legal requirements and standards are being followed. By keeping hospitals responsible for their activities and making sure they follow social norms and values, regulatory monitoring serves to protect the public interest.

By using innovative services, faith-based hospitals in Kenya can find new market niches where they can serve underprivileged groups or religious communities with unique requirements and preferences. This fits with the notion of disruptive innovation, which postulates that disruptive technologies frequently appear in market niches that are neglected or underserved and eventually pose a challenge to well-established incumbents. Innovation in services provided by faith-based hospitals could result in the creation of more affordable medical options without sacrificing quality. This is consistent with the disruptive innovation idea, which emphasizes technologies that provide easier-to-use, more reasonably priced substitutes for already-existing goods or services, democratizing access to healthcare and upending established healthcare delivery paradigms.

The use of technology, such as telemedicine, mobile health apps, or electronic health records, into healthcare delivery systems is one example of service innovation in faith-based institutions. This technological integration can make healthcare services more accessible and efficient, which is in line with the disruptive innovation idea, which emphasizes how technology can change sectors and open up new markets. Faith-based hospitals' service innovation initiatives have the potential to challenge the dominance of established healthcare providers in the healthcare industry and provide patients more control over their healthcare decisions. This is consistent with the disruptive innovation theory's claim that disruptive breakthroughs frequently upend established hierarchies of power and reassign decision-making authority. Faith-based hospitals may encourage collaborative ecosystems through service innovation, including alliances with tech firms, healthcare entrepreneurs, and other stakeholders. The disruptive innovation theory emphasizes the significance of ecosystem dynamics in propelling innovation and industrial transformation, which is in line with this collaborative approach to innovation.

5.4 Suggestions for Future Research

This study has examined the interactions between corporate governance, service innovation, government regulations and organisational performance of Faith-Based Hospitals in Kenya.

Investigate the long-term impacts of government laws, service innovation programs, and corporate governance standards on the organizational performance of faith-based hospitals in Kenya using longitudinal studies. This would shed light on how long-lasting and sustainable certain elements are. In Kenya, contrast the corporate governance frameworks, service innovation tactics, and regulatory landscapes of faith-based and secular hospitals. This comparison investigation could help clarify the particular difficulties and advantages encountered by faith-based healthcare providers and advance knowledge of the dynamics of their operations.

Conduct qualitative research using focus groups and interviews to learn about the opinions, attitudes, and experiences of important stakeholders about corporate governance, service innovation, legal requirements, and organizational performance in faith-based hospitals. These stakeholders include hospital administrators, medical professionals, patients, and regulatory authorities. Examine particular examples of effective or unsuccessful corporate governance procedures, service innovation initiatives, regulatory compliance efforts, and their effects on organizational performance by conducting in-depth case studies of individual faith-based hospitals in Kenya. These case studies may offer other faith-based healthcare providers insightful information on excellent practices and lessons discovered.

Examine how laws and policies affect faith-based hospitals in Kenya in terms of organizational effectiveness, service innovation, and corporate governance. This could entail making recommendations for legislation to assist the expansion and sustainability of faith-based healthcare providers, as well as evaluating the efficacy of the current regulatory frameworks and pinpointing areas in need of reform. Examine the connection between patient outcomes, service innovation, and corporate governance in Kenyan hospitals that are affiliated with religious institutions. Indicators including patient satisfaction, treatment results, and adherence to medical standards could be used in this study to evaluate the efficacy and quality of healthcare provided in religious settings.

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APPENDICES

Appendix I: Letter of Introduction

Dear Sir/Madam,

I am a postgraduate student at Management University of Africa pursuing a Doctor of Philosophy in Management and Leadership. I am conducting research on “**Corporate Governance Practices, Service Innovation, Government Regulations and Organisational Performance of Faith-Based Hospitals in Kenya.**”

In light of the foregoing, I am requesting that you respond to the questions included in the questionnaires attached hereto. I further request that you furnish me with any essential documents and information on the corporate governance and performance of Faith-Based Hospitals in Kenya. This will assist me in gathering the essential data to help me fulfil the study's objectives.

The information gathered through this questionnaire will be kept strictly confidential and used just for this research purpose. Your valuable response and assistance will be greatly appreciated in this regard. Thank you in advance.

Yours Faithfully,

JACOB KIMOTE



DML/11/00107/3/18

Appendix II: Letter From the University

The
Management
University
of Africa



Sponsored by The Kenya Institute of Management

Date: 10TH JANUARY 2024

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: JACOB KIMOTE- PHD CANDIDATE

This is to confirm that JACOB KIMOTE- admission number: DML/11/00107/3/18 is a student of the Management University of Africa (MUA) currently pursuing a Doctor of Philosophy (PhD) degree in Management and Leadership. As part of the requirement for the degree programme, the candidate is expected to carry out a study and write a thesis on a topic of choice. The topic is "CORPORATE GOVERNANCE, SERVICE INNOVATION, GOVERNMENT REGULATIONS AND ORGANISATIONAL PERFORMANCE OF FAITH BASED HOSPITALS IN KENYA." on which he has developed and successfully defended a proposal which has been approved by the University. He is now expected to collect data before finally writing his thesis.

The University wishes to request for assistance and cooperation from all the concerned parties the student will be engaging with in the course of his study.

Yours faithfully,
Management University of Africa

A handwritten signature in blue ink, appearing to read 'J. Cheluget'.

Dr. John Cheluget, PhD
Deputy Vice-Chancellor



Disclaimer: Data collection and thesis writing is the sole responsibility of the student and MUA takes no responsibility on the student's activities and shall not be held liable for his/her actions

Appendix III: Research Permit


REPUBLIC OF KENYA


NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **616146** Date of Issue: **18/January/2024**

RESEARCH LICENSE



This is to Certify that Mr. **JACOB KYALO KIMOTE** of The Management University of Africa, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Baringo, Bomet, Bungoma, Busia, Elgeyo-Marakwet, Embu, Homabay, Isiolo, Kajjado, Kakamega, Kericho, Kiambu, Kisii, Kisumu, Kitui, Laikipia, Machakos, Makeni, Marsabit, Meru, Migori, Mombasa, Muranga, Nairobi, Nakuru, Narok, Nyandarua, Nyeri, Samburu, Siaya, Tharaka-Nithi, Transzoia, Turkana, Uasin-Gishu, Vihiga, Westpokit on the topic: **CORPORATE GOVERNANCE, SERVICE INNOVATION, GOVERNMENT REGULATIONS AND ORGANISATIONAL PERFORMANCE OF FAITH BASED HOSPITALS IN KENYA** for the period ending : **18/January/2025**.

License No: **NACOSTI/P/24/32515**

616146
Applicant Identification Number


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NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

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Scan the QR Code using QR scanner application.

See overleaf for conditions

Appendix IV: Questionnaire

This research questionnaire has been drafted for the purpose of helping the researcher to study the interactions between Corporate Governance Practices, Service Innovation, Government Regulations and Performance of Faith-Based Hospitals in Kenya. The information sought for herein will be to enrich on the existing knowledge on organisational performance of Faith-Based Hospitals in Kenya.

Instructions

DO NOT write your names on any page of this questionnaire.

Fill only one set of the questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

Tick (√) on appropriate option where choices are provided

1. What is your gender?

Male

Female

2. Kindly indicate your age bracket by ticking appropriate option

Less than 30

Between 31 to 54 years

More than 55 years

3. What is your highest education level? (Please tick the appropriate option)

Bachelor's Degree

Master's Degree

Doctorate or PhD

Others.....

4. How many years have you work for this organisation?.....

Less than 1 year

Between 1 and 5 years

More than 5 years to 10 years

More than 10 years

SECTION B: CORPORATE GOVERNANCE PRACTICES

5. Using a scale of 1 to 5 tick the appropriate answer from the alternatives provided for each of the questions

(1=Strongly Disagree, 2=Agree, 3=Neutral, 4 =Disagree, 5=Strongly Agree)

Statement		1	2	3	4	5
	Transparency					
1	Board operations are conducted in a transparent manner					
2	Board guidelines on corporate governance are published in the hospital proxy statement					
3	Board guidelines on the code of ethics published in the hospital's proxy statement					
4	The hospital has operational policies in place					
5	Hospital decisions are guided by the policies in place					
6	The hospital encourages stakeholders to share information voluntarily.					
7	The hospital publishes the qualifications of the Board members in the hospital proxy statement					
	Accountability					
1	The hospital always take responsibility for their actions					
2	Decision making is done through streamlined optimal organisational structure					
3	Acceptable accounting principles are applied in preparation of financial statements					
4	The hospital Board has operational committee to address specific issues.					
5	The hospital has procedures to assesses the performance of board committees					
6	The hospital prepares annual audited financial statement					
7	The hospital operations are aligned to its Mission					
	Responsibility					
	The hospital;					
1	Evaluates the effect of its activities on stakeholders.					
2	Has initiated several projects for the benefit of neighboring community					
3	Offers high quality services access					
4	Pays its suppliers on a timely manner					
5	Always ensures adherence to governing regulations					
6	Board ensures adherence to ethical practices					
7	Board conducts annual performance evaluation to its senior staff.					
	Board Composition					

1	Board membership have diverse academic skill set					
2	The hospital board has functional board sub-committees					
3	Board members maintain independence in decision making.					
4	Board membership has diversity					
5	Board members have relevant expertise to add value to the hospital operations					
6	The hospital conducts training for board members on their duties					
7	The hospital has board self-assessment tools					

SECTION C: SERVICE INNOVATION

6. To what extent do you agree with the various components of Service Innovation in your facility. Please indicate the level of agreement using a scale of 1-5 where; **1=Strongly Disagree, Disagree=2, Neutral=3, Agree=4, Strongly Agree=5.**

Statement		1	2	3	4	5
Diversification of Services						
1	The hospital continuously improves the access to a variety of primary care services					
2	The hospital has specialized healthcare clinics for addressing specific health need of our clients.					
3	The hospital promotes participation in wellness programs offered by healthcare providers					
4	The hospital practices home healthcare services for patient well-being.					
5	The hospital management promotes use telemedicine services.					
6	The hospital management introduces new specialty services can cater to specific healthcare needs within the community.					
7	The hospital actively engages with the community through health education outreaches raising awareness about various health issues					
Technological Integration						
1	The Hospital functional has Health Management Information System (HMIS) in place					
2	HMIS effectively facilitates quick access of patient data.					
3	Electronic Health Information Exchange effectively facilitates the transfer of patient data to the referral institutions.					
4	There is a single database containing data from multiple data sources from different department in the hospital.					
5	The hospital has systems in place to practices telemedicine consultation					
6	The hospital makes sure that the various health programmes' subsystems are integrated.					
7	Technical support is given by management to guarantee timely reports.					

	Process Improvement					
1	The hospital undertakes improvements in service operations aimed at operational efficiency					
2	The hospital continually aims at improving the accuracy of diagnoses					
3	The hospital promotes Standardization of procedures and protocols to reduce variability in patient care					
4	Regularly harnesses innovation capabilities to fit the present innovations.					
5	Undertakes continuous Research and Development on healthcare services					
6	Engages innovative support service systems that leverage on the trending technology					
7	Adopts new technologies in the healthcare service delivery					
	Customer-centric Services					
1	The hospital conducts continuous survey to understand customers' experience					
2	The hospital leverage customer data responsibly to provide personalized patient services.					
3	The hospital maintains open communication channels for customer feedback and inquiries.					
4	The hospital streamlines its processes to make it easy for patients/customers to interact with.					
5.	Regularly update and improve services based on customer insights					
6	The hospital management provide ongoing training to employees on customer service best practices.					
7	The hospital clearly communicates the unique value of your services offer to customers.					

SECTION D: GOVERNMENT REGULATIONS

7. To what extent do you agree with the various components of government regulations in your organisation. Please indicate the level of agreement using a scale of 1-5 where;
1=Strongly Disagree, Disagree=2, Neutral=3, Agree=4, Strongly Agree=5

	Aspects of Government Regulations	1	2	3	4	5
	Law & Regulations					
1	The hospital operates within the Law					
2	The hospital adheres to all the regulation as set out by the government					
3	The hospital adheres to the set-out guideline as stipulated by government agencies.					
4	Regulations inform health care decision makers in their decision-making process					
5	Health regulation promote access to quality health care services					
6	The hospital involves stakeholders in its policy formulation process					
7	The hospital has adequate institutional capacity to ensure compliance with law and regulations					
	Professional Ethics					
1	The hospital adheres to the relevant professional set of rules in place					
2	The hospital prioritizes the interest of client first					
3	The hospital operations contribute to professional growth of employees					
4	The hospital has operational conflict of interest policy					
5	The hospital provides professional benefit by monitoring profession actions.					
6	The hospital has clear framework of disciplinary ethical standards in place					
	Professional Standards					
	The hospital;					
1	Regularly reviews service delivery protocol					
2	Enforces penalties on non-compliant professionals					
3	Effectively standardizes service delivery protocols					
4	Offers professional upgrade training programs to its professionals					
5	Undertakes operational service audit on time					
6	Management problem solving strategies are highly informed by the professional standards.					
7	The hospital offers appropriate opportunities to support personal professional growth					

SECTION E: ORGANISATIONAL PERFORMANCE

8. Please indicate the extent to which you agree with each of the following statements using a scale of **1=Strongly Disagree, Disagree=2, Neutral=3, Agree=4, Strongly Agree=5**, in relation to your facility.

	Statements	1	2	3	4	5
	Customer Satisfaction					
1	The hospital has adequate medical infrastructure to offer quality client service					
2	Clients are served timely upon arrival at the hospital					
3	The digitalised service offers better client-service delivery					
4	The hospital offers timely communication to the clients					
5	The hospital offers comprehensive high-quality service					
6	Client satisfaction enhances hospital comparative advantage					
7	The hospital customer feedback provide basis of improving service quality					
	Efficiency					
1	The hospital regularly evaluates barriers to performance					
2	The hospital strives to meet customers' needs					
3	The hospital leadership align hospital strategy with customer expectation					
4	The hospital streamlines its process to maximize available resources.					
5	The hospital ensures optimal allocation of scarce resources.					
6	Strategic alignment with hospital objectives enhances performance.					
7	There is increased utilisation of clinical technologies to enhance quality service delivery					
	Productivity					
1	The hospital undertakes staff performance assessment review to assess individual performance.					
2	The hospital has performance rewards mechanism in place.					
3	The hospital staff have clear target to measure their productivity					
4	The hospital uses profit as a measure of asset productivity.					
5	The hospital has time measurement approaches to measure productivity of its employees.					
6	The hospital prepares annual budgets that guide spending					
7	The performance feedback data informs set priorities in the next working phase					

	Effectiveness					
1	The hospital has clear objective -focused approach as means of measuring performance effectiveness					
2	The hospital adopts rating scale approach to maintain consistency					
3	The hospital conduct employee satisfaction evaluations as a crucial measure of their effectiveness					
4	There is sufficient measures or application to track hospital activities stage of implementation					
5	There is a sufficient number of experienced personnel at the hospital to provide excellent care.					
6	Feedback is integrated into the employees' improvement plans					
7	The hospital has increased number of services offered to better clients' needs					

Appendix V: List of Faith-Based Hospitals

N0.	Facility	Level	County	Sub-County	Ward
1	Living Room International	4	Uasin Gishu	Ainabkoi	Kapsoya
2	Nairobi Adventist Hospital	4	Nairobi	Westlands	Karura
3	ACK Emmanuel Mission Hospital	4	Kiambu	Kikuyu	Kikuyu
4	Tenwek Hospital Annex-Bomet	4	Bomet	Chepalungu	Nyangores
5	Jesse Kay Children Hospital	4	Nairobi	Roysambu	Roysambu
6	Kingdom Faith-based Hospital	4	Bungoma	Webuye West	Matulo
7	Better Living Hospital	4	Nairobi	Dagoretti North	Kilimani
8	Mercy Mission Hospital	4	Nakuru	Nakuru East	Biashara
9	Consolata Maternity and Children's Hospital	4	Laikipia	Laikipia East	Nanyuki
10	St Catherine Ichuni Mission	4	Kisii	Nyaribari Masaba	Ichuni
11	LeseruTrinity Mission Hospital	4	Uasin Gishu	Turbo	Kamagut
12	Holy family catholic hospital githunguri	4	Kiambu	Githunguri	Githunguri
13	Matercare Maternity Hospital	4	Isiolo	Isiolo	Bulla Pesa
14	Mutuati Catholic Hospital	4	Meru	Igembe North	Amwathi
15	Ruaraka Uhai Neema Hospital	4	Nairobi	Ruaraka	Babandogo
16	Kalimoni Hospital (Ruiru)	4	Kiambu	Ruiru	Biashara
17	Neema Hospital (Ruiru)	4	Kiambu	Ruiru	Kahawa/Sukari
18	The Mater Hospital Buruburu	4	Nairobi	Makadara	Harambee
19	Nazareth Hospital (Ruiru)	4	Kiambu	Ruiru	Biashara
20	AGC Lions Ngoswani Hospital	4	Narok	Narok West	Siana
21	Jumuia Hospital Huruma	4	Nairobi	Mathare	Kiamaiko
22	Royal Victory Hospital	4	Nairobi	Ruaraka	Mathare
23	Immaculate Heart Hospital Kereita	4	Kiambu	Lari	Kijabe
24	Kalimoni Mission Hospital (Juja)	4	Kiambu	Juja	Kalimoni
25	Kiria-Ini Mission Hospital	4	Muranga	Mathioya	Kiru

26	Mwea Mission (Our Lady of Lourdes) Hospital	4	Kirinyaga	Kirinyaga	Thiba
27	Mewa Hospital	4	Mombasa	Mvita	Majengo
28	Sayyida Fatimah Hospital	4	Mombasa	Nyali	Frere Town
29	St Luke's (ACK) Nursing home Kaloleni	4	Kilifi	Kaloleni	Kaloleni
30	Tawfiq Muslim Hospital	4	Kilifi	Malindi	Malindi Town
31	Bishop Kioko Catholic Hospital	4	Machakos	Machakos	Machakos Central
32	Consolata Mission Hospital	4	Meru	Imenti South	Nkuene
33	Ortum Mission Hospital	4	West Pokot	Pokot South	Batei
34	Catholic Hospital Laisamis	4	Marsabit	Laisamis	Laisamis
35	PAG (K) Mission Hospital Goibei	4	Vihiga	Hamisi	Banja
36	Jamaa Mission Hospital	4	Nairobi	Makadara	Harambee
37	Kendu Adventist Hospital	4	Homa Bay	Karachuonyo	Kendu Bay Town
38	Maseno Mission Hospital	4	Kisumu	Kisumu West	North West Kisumu
39	Matata Nursing Hospital	4	Homa Bay	Rachuonyo South	West Kamagak
40	Nyanchwa Hospital	4	Kisii	Nyaribari	Kisii Central
41	Omorembe Sub County Hospital	4	Kisii	Bomachoge Chache	Bosoti/Sengera
42	Our Lady of Lourdes Rangala Mission Hospital	4	Siaya	Ugunja	Sidindi
43	St Camillus Mission Hospital	4	Migori	Nyatike	Kachien'g
44	St Monica Hospital	4	Kisumu	Kisumu East	Kajulu
45	Kakuma Mission Hospital	4	Turkana	Turkana West	Kakuma
46	Kaplong Hospital	4	Bomet	Sotik	Chemagel
47	Plateau Hospital	4	Uasin Gishu	Ainabkoi	Kaptagat
48	St Joseph Hospital	4	Narok	Transmara West	Shankoe
49	Immaculate Heart of Mary Hospital	4	Kiambu	Thika Town	Gatuanyaga
50	Catholic Hospital Wamba	4	Samburu	Samburu East	Wamba East
51	Kima Mission Hospital	4	Vihiga	Luanda	Emabungo
52	Mukumu Hospital	4	Kakamega	Shinyalu	Isukha South

53	Holy Family Nangina Mission Hospital	4	Busia	Samia	Nangina
54	St Damiano Mission Hospital	4	Bungoma	Khanduyi	Khalaba
55	St. Scholastica Uzima Hospital	4	Nairobi	Ruaraka	Utalii
56	Asumbi Mission Hospital	4	Homa Bay	Rangwe	East Gem
57	St Antony Catholic Hospital	4	Nakuru	Nakuru North	Kiamaina
58	St Mary's Hospital (Mumias)	4	Kakamega	Mumias West	Mumias Central
59	Nyabondo Mission Hospital	4	Kisumu	Nyakach	South East Nyakach
60	Lugulu Friends Mission Hospital	4	Bungoma	Webuye West	Misikhu
61	St Joseph Mission Hospital	4	Migori	Suna East	Suna Central
62	Tabaka Mission Hospital	4	Kisii	South Mugirango	Tabaka
63	Ahmadiya Hospital	4	Kakamega	Mumias East	Lusheya/Lubin
64	Sikh Hospital	4	Makueni	Kibwezi West	Makindu
65	Muthale Mission Hospital	4	Kitui	Kitui West	Mutongoni
66	Mercy Hospital	4	Baringo	Koibatek	Ravine
67	ICFM Dreamland Mission Hospital	4	Bungoma	Kimilili	Kibingei
68	St Mary's Hospital	4	Nakuru	Gilgil	Gilgil
69	Mwihila Mission Hospital	4	Kakamega	Khwisero	Kisa North
70	St Mulumba Mission Hospital	4	Kiambu	Thika Town	Kamenu
71	Mary Help of The Sick Hospital	4	Kiambu	Thika Town	Hospital
72	Kiminini Cottage Mission Hospital	4	Trans Nzoia	Kiminini	Kiminini
73	Gaichanjiru Hospital	4	Muranga	Kandara	Gaichanjiru
74	Infant Jesus Kalimoni Mission Hospital	4	Kiambu	Juja	Wietethye
75	Mary Immaculate Hospital (Nyeri North)	4	Nyeri	Kieni West	Mweiga
76	Mt Kenya (ACK) Hospital	4	Kirinyaga	Kirinyaga Central	Kerugoya
77	North Kinangop Catholic Hospital	5	Nyandarua	Kinangop	Gathara
78	Kikoko Mission Hospital	4	Makueni	Kaiti	Kilungu
79	Consolata Kyeni Hospital	4	Embu	Runyenjes	Kyeni North

80	Sololo Mission Hospital	4	Marsabit	Moyale	Sololo
81	St Ann Hospital	4	Meru	Imenti South	Igoji East
82	St Orsola Mission Hospital	4	Tharaka Nithi	Tharaka South	Chiakagira
83	St Francis Com Hospital	4	Nairobi	Kasarani	Clay city
84	Christamarianne Hospital	4	Kisii	Nyaribari Chache	Kisii Central
85	Kipchimchim M Hospital	4	Kericho	Ainabkoi	Kipchimchim
86	Jumuia Mission Hospital Kaimosi	4	Vihiga	Hamisi	Shiru
87	Sega Mission Hospital	4	Siaya	Ugenya	North Ugenya
88	The Mater Misericordiae Hospital	5	Nairobi	Starehe	Nairobi South
89	Chuka Cottage Hospital	4	Tharaka Nithi	Chuka	Karingani
90	Fatima Maternity Hospital	4	Kajiado	Kajiado North	Nkaimurunya
91	St Lukes Cottage Hospital	4	Meru	Imenti Central	Kiagu
92	St Mary's Mission Hospital	4	Nairobi	Langata	Mugumo-ini
93	Shree Swaminarayan Hospital (Langata)	Level 4	Nairobi	Langata	Mugumo-ini Ward
94	St. John Mission Hospital	Level 4	Trans Nzoia	Kiminini	Sirende
95	Mother Angela Huruma Hospital	Level 4	Laikipia	Laikipia East	Nanyuki
96	Githumu Hospital	Level 4	Muranga	Kandara	Ruchu
97	Cottolengo Mission Hospital	Level 4	Meru	Central Imenti	Mwangathia
98	Kikuyu (PCEA) Hospital	Level 5	Kiambu	Kikuyu	Kikuyu
99	Tumutumu (PCEA) Hospital	Level 5	Kiambu	Ruiru	Kiuu
100	St Francis Community Hospital (Kasarani)	5	Nairobi	Kasarani	Kasarani
101	Cure (AIC) International Hospital	5	Kiambu	Lari	Kijabe
102	AIC Litein Mission Hospital	5	Kericho	Bureti	Litein
103	Our Lady of Lourdes Mutomo Hospital	5	Kitui	Kitui	Mutomo
104	Chogoria (PCEA) Hospital	5	Tharaka Nithi	Mwimbi	Chogoria
105	St Theresa Kiirua Hospital (Kiirua)	5	Meru	Buuri	Kiirua/Naar
106	Maua Methodist Hospital	5	Meru	Igembe South	Maua
107	Coptic Hospital (Ngong Road)	5	Nairobi	Dagoretti North	Kilimani

108	Sabatia Eye Hospital Mission	5	Vihiga	Sabatia	Wodanga
109	Kijabe (AIC) Hospital	5	Kiambu	Lari	Kijabe
110	Consolata Mission Hospital (Mathari)	5	Nyeri	Nyeri Central	Kiganjo/Mathari
111	Oasis Medical Center	4	Kilifi	Kilifi South	Shimo la Tewa
112	Kapsowar (AIC) Hospital	5	Elgeyo Marakwet	Marakwet West	Kapsowar
113	Tenwek Mission Hospital	5	Bomet	Bomet Central	Silibwet Township
114	St. John of God Tingania	4	Meru	Tigania East	Muthara
115	Dolphil Nursing and Maternity Home	4	Siaya	Gem	East Gem

Source: Kenya Master Health Facility List (2023)