

Impact Of Board Independence On Public Health Service Delivery In Garissa County Referral Hospital, Kenya

Habiba Barre Aden¹ Dr. Weldon K Ng'eno²

¹ Student, Kenyatta University

² Lecturer, Kenyatta University

Abstract: *The role played by an independent board in public health service delivery cannot be underestimated. Despite the 4th agenda of the Constitution outlining clearly the aspects of health which the County Governments are expected to undertake including provision of primary healthcare, Counties across Kenya have failed in delivery of service in the sector of health due to deprived governance structure. This research wanted to scrutinize the impact of independence of the board on public health service delivery in Garissa County referral hospital. The Agency Theory guided this investigation. The research employed a descriptive research design targeting 383 hospital staff and management in Garissa County Referral Hospital. It used stratified random sampling to sample 198 participants based on Yamane formula. This research employed a structured questionnaire for gathering data. This research used percentages, frequencies, correlation analysis, standard deviation and means for data analysis. Illustration of data was done by use of figures and frequency tables as deemed appropriate by the researcher. The results illustrated that independence of the board ($\beta = 0.315$, $t = 5.403$, $p > 0.000$) had a significant and positive impact on public delivery of health service in Garissa County Referral Hospital. This study concluded that independence of the board had a substantial and positive impact on public delivery of health service.*

Keywords: *Independence, Board, Public Health, Service Delivery, Garissa County.*

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I. INTRODUCTION

According to Ozcan (2014), service delivery plays a role in management of health service together with facilitating national significances for health modification to be changed to individual and organizational goals, to facilitate accountability and offer a focus on outcomes. In addition, performance is a necessity of good governance together with a solid structure. Governance structure plays a role in putting up decision-making procedures and rules (Pillai & Al-Malkawi, 2018). Organizational arrangements usually have a deep effect on delivery of service even if there is availability of inputs. The attention is on the organization of public hospital system in regard to the decision making and locus of authority, leadership strategies in the hospitals and Ministry of Health (MoH) (Chelagat *et al.*, 2021).

As per to Peterson (2017), Africa has some of the most difficult and diverse health problems in the world. In all sub-Saharan African countries, the chief cause of premature demise was among 4 communicable infections including lower respiratory tract diseases, Acquired Immunodeficiency Syndrome / Human Immunodeficiency Virus (AIDS/HIV) and malaria (El Bcheraoui *et al.* 2020). In all regions of the world except Africa, the disease burden is caused mostly by chronic diseases (or, non-communicable diseases) and injuries, though these causes are rising in prevalence in Africa too. In East Africa, the impact of poor leadership structure on delivery of service in the healthcare system was brought forth by the pandemic of Covid-19. Lack of preparedness from the three East Africa (3) countries was observed. In Kenya, lack of accountability and transparency which is a key component of Governance was seen in handling of the supplies meant for the corona virus pandemic (Rahim *et al.*, 2020).

The phrase "Covid-19 billionaires" became common amongst Kenyans and in the reporting of major Media Stations in Kenya. According to a report tabled in the Senate, Weaknesses of the governance structure was seen in the lack of oversight role by the Board of Directors of Kenya Medical Supply Agency (KEMSA), the government body mandated to distribute, warehouse and procure medical supplies and drugs for instructed civic programmes of health, prescribed critical packages of health, national referral hospitals and the national strategic stock (Gasquet, 2021). All this is caused can be attributed to a poor governance structure which eventually affects service delivery. In access to healthcare by objectively and systematically putting together needs-based principles into decisions of resource allocation, governance can assist nations in redressing inequities in healthcare access.

Moreover, other efforts that can aid the government in making a move towards attaining equitable healthcare access (Omotoso & Koch, 2018).

Prior to devolution, the governance structure among public health care facilities was clear with the existence of District Health Management Boards (DHMBs) and Provincial Health Management Teams (PHMT) for Kenya's 71 districts and 8 provinces respectively. The Provincial Health Management Teams were straight answerable to the Director Medical Services. Despite the 4th plan of the Kenyan constitution (2010) outlining clearly the aspects of health which the County Governments are expected to undertake including provision of primary healthcare, counties have failed in service delivery in the health sector due to poor governance structure (Wairiuko, Nyonje & Omulo, 2018). A good governance structure must guarantee independence in decision making; define a clear reporting relationship of who is responsible for what and to who, and the members of governing body must contain the correct mixture of experience and skills required of them.

The role played by an effective governance structure in service delivery in the public healthcare system cannot be underestimated. It is one of the key factors that ensure effective distribution of service to everyone. Several research have been steered on governance structures on delivery of service, but have not addressed public health care in Kenya. Waiganjo (2017) studied the results of corporate governance on delivery of service in the Kenyan municipal county governments. Wairiuko *et al.* (2018) focused on adoption of e-government and ICT infrastructure for upgraded delivery of service in the county government of Kajiado while Daiser *et al.* (2017) studied the corporate governance of state-owned enterprises using empirical literature. This research therefore investigated the effects of independence of the board in delivery of service in the Kenyan civic health care system

Purpose of the Study

The aim of this paper was to examine how board independence impacted public health service delivery in Garissa County Referral Hospital, Kenya.

II. THEORETICAL REVIEW

Adam Smith, Ross, and Jensen and Meckling proposed agency theory in the 1970s. The proponents argue that the theory gives chances for the ones in authority to use firm resources optimally to their utilities apart from increasing the resources of the shareholder (Panda & Leepsa, 2017). The managers with higher proficiency and knowledge in regard to the firm have the opportunity to talk to one's interests apart from the ones for shareholder's (proprietor) concerns (Vitolla Raimo, & Rubino, 2020). This drives to primary agent conflict. Apart from the link of the managers and principal, there might be occurrences of agency differences amongst other stakeholders. Shareholders may come up with effective internal controls and internal audit to enable overcoming of information asymmetry bottleneck and safeguard their wealth. The audit board and internal audit yield financial statements which are audited and additional reports guaranteeing the owners on the advancement of their entity.

In this research's context, the theory suggests good governance by the management which acts as a connection to the variables of the study through independence and also ensuring delivery of service to the firm. Delivery of service can be ensured by employee satisfaction surveys, disposal of idle assets, corruption eradication, development of service charter, compliance with strategic plan, project implementation, utilization of allocated funds, safety measures, compliance with budget levels and undertaking customer satisfaction survey (Kavinya, 2019).

III. EMPIRICAL REVIEW

Keya (2019) studied financial reporting, internal audit, governance and internal audit, central government constituencies' development funds performance and financial reporting in Kenya using primary data and observed that good governance gives all a credible information about the article. The research indicated that good leadership yields delivery of service, through independence. Independence is crucial to a firm since it puts on firm's procedures and structures for creating behaviour, regulation, accountability and decisions at the firm. The study was however conducted in a different area to public health institutions, which is different from the current study.

Stoverink, Kirkman, Mistry and Rosen (2020) in the United States (US) used a theoretical approach to conduct their study, and noted that independence guarantees that techniques and processes that boost service delivery behaviour are executed by firms. The action stimulates firms to create implement instructions and practice manuals which aid the firm in adopting a culture which encourages transparency, accountability and responsibility resulting to improved service delivery. In regard to study, service delivery can be achieved through institutional relevance, financial viability, efficiency and effectiveness. This study was theoretical, while the current research depended on main data that was composed by use of questionnaires.

Anwar and Abdullah (2021) studied the impacts of the management of human resource practice on institutional performance in Iraq using primary data sources, and postulate that good governance through independence reduces management compensation and the resources put together are important in activities related in generating revenue hence steering service delivery. Similarly, excellent leadership puts on governance structures. The governance structures give oversight part making sure that resources are capably used causing improved service delivery. The proper usage of accountability and resources are the ones that result in enhanced

service delivery. However, the research was facilitated in a different context as opposed to the ongoing research which was conducted in the public healthcare system in Garissa County Referral Hospital.

In accordance to Omolo, Kantai and Wachira (2010) devolution gives county governments the choice to put in place innovative systems of delivery of service. This ensures independent management of various devolved units that uniforms their unique health needs, a sufficient capacity to access their health system primacies, and the authority to come up with sovereign choices on subsector expenditure and resource allocation. However, the study noted that devolving health systems arises with other difficulties like resource, institutional and equity issues that should be measured to guarantee a sustainable and successful health system.

IV. METHODOLOGY

The research used a descriptive research design. The population targeted in the research was 383 hospital staff and management at Garissa County Referral Hospital. Furthermore, the research employed a stratified random sampling technique. Simple random sampling was used to sample within the strata until the desired sample size was achieved. Yamane’s (1967) formula was used to select 196 participants. The research employed an online questionnaire through Google Forms for data collection. Before commencing data analysis and upon receiving the data, the researcher checked it for completeness and only worked with complete data. The study then conducted descriptive statistics using standard deviations, means, frequencies, and percentages. Analysis was assisted by the Statistical Package for the Social Sciences (SPSS) version 27. Correlation analysis was performed to test for associations among the independent and dependent variables.

V. RESULTS AND DISCUSSION

Demographic Information

The study found that a majority of the participants, accounting for 68% (n=119), were male, while 32% (n=55) were female. These results suggest that there are significantly more male management staff in Garissa County Referral Hospital compared to their female counterparts. Furthermore, a significant proportion of the respondents fell within the age range of 51-60 years. This indicates that a considerable number of staff members in Garissa County Referral Hospital are at least 40 years old, which is consistent with the findings of Abdulle *et al.* (2021) in a similar study conducted in Kenya, where the majority of respondents were aged over 35 years.

In terms of educational attainment, the findings of the research revealed that the majority of the respondents, representing 66.1% (n=115), had attained a degree level of education. This implies that the participants generally possessed at least a certificate-level education, enabling them to answer the questions related to governance structures of public healthcare service delivery without encountering significant difficulties. These findings align with those of Masika *et al.* (2016), who also discovered that a majority of their respondents had attained a certificate level of education or higher. Finally, the results of the study demonstrated that 88% (153) of the participants were staff members, while 12% (n=21) were management officers. This suggests that there is a higher proportion of staff members compared to management in Garissa County Referral Hospital, which is consistent with the assertions made by Aydın *et al.* (2020) and Kavinya (2019). These findings can be considered in the context of the research’s sampling framework.

Descriptive Analysis

Descriptive findings were utilized to analyze the responses provided by the participants using a Likert scale ranging from 1 to 5, where 5 represented “strongly agree” and 1 denoted “strongly disagree.” Frequencies, standard deviations, means, and percentages were calculated to determine the distribution and central tendency of the data. The statistical software SPSS version 27 was employed to conduct the data analysis, and the results were presented in tables for easy interpretation. The primary objective of the research was to assess the level of independence of the board in Garissa County Referral Hospital. To achieve this, descriptive statistics were computed, yielding the following results:

Table 1: Descriptive Statistics on Independence of the Board

Statement		SD	D	N	A	SA	Mean	Std. Dev
The proportion of independent board directors to representatives is good	f	4	29	74	67	0	3.17	.786
	%	2.3%	16.7%	42.5%	38.5%	0.0%		
The reporting structure is clear in the hospital	f	3	0	58	84	29	3.78	.782
	%	1.7%	0.0%	33.3%	48.3%	16.7%		
The auditing process is clearly stipulated in the hospital	f	3	1	9	85	76	4.32	.753
	%	1.7%	0.5%	5.2%	48.9%	43.7%		
There are clear levels of controls in the hospital	f	9	9	20	78	58	3.96	1.061
	%	5.2%	5.2%	11.5%	44.8%	33.3%		
There are clear ways for resource acquisition and utilization in the hospital	f	3	2	12	94	63	4.22	.767
	%	1.7%	1.2%	6.9%	54.0%	36.2%		
	f	3	1	7	88	75	4.33	.738

There are clear auditing procedures and processes made by the board in the hospitals	%	1.7%	0.6%	4.0%	50.6%	43.1%		
There are clear channels which are used by the board in communication	f	3	3	61	42	65	3.94	.975
	%	1.7%	1.7%	35.1%	24.1%	37.4%		
Composite Mean and Std. Dev							3.96	.579

Key: SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA=Strongly Agree

The research also examined the participants’ opinions on the proportion of independent board directors to representatives in Garissa County Referral Hospital. The results revealed that 38.5% (n=67) of the participants agreed with the current proportion, 16.7% (n=29) disagreed, while a small percentage, 2.3% (n=4), strongly agreed (M = 3.17, SD = 0.786). These findings indicate a mixed perception among the participants regarding the adequacy of the independent board directors in relation to the representatives. This finding is in line with the observations made by Gasquet (2021), who emphasized the importance of the proportion of independent board directors to representatives in enhancing service delivery within public institutions. However, Gasquet also pointed out weaknesses in the governance structure, particularly the lack of an effective oversight role. The findings indicate a need for further exploration and potential improvements in the governance structure of Garissa County Referral Hospital to address the identified weaknesses and enhance oversight mechanisms.

On whether the reporting structure was clear in the hospital, 48.3% (n=84) of the respondents agreed, 16.7% (n=29) strongly agreed whereas 1.7% (n=3) of the participants strongly disagreed (M = 3.78, SD = 0.782). According to the results of the research, Wairiuko *et al.* (2018) established that a good reporting structure must guarantee independence in decision making. They also defined a clear reporting relationship of who is responsible for what and to who, and the members of governing body must have the right mix of experience and skills required of them. Furthermore, Keya (2019) observed that good governance gives all credible information about the institution. Independence in decision making implies that individuals in key positions have the authority and autonomy to make informed choices without undue influence or bias. This can contribute to effective and efficient decision-making processes within the hospital, leading to better patient care and organizational outcomes. Additionally, the definition of a clear reporting relationship, specifying who is responsible for what and to whom, highlights the importance of role clarity and accountability.

The results indicated that the auditing process was clearly stipulated in the hospital where 48.9% (n=85) of the participants agreed, 43.7% (n=76) strongly agreed and 1.7% (n=3) of the participants strongly disagreed (M = 4.32, SD = 0.753). A study by the CFE (2019) noted that shareholders with effective internal controls and internal audit enable overcome information asymmetry. The audit board and internal audit yield financial statements which are audited and additional reports guaranteeing the owners on the advancement of their entity, as well as service delivery. This illustrated that there was a level of clarity and understanding regarding the procedures and guidelines related to auditing within the organization. Furthermore, the presence of an audit board and internal audit function is crucial in ensuring financial transparency and accountability. The financial statements audited by the internal audit team and the additional reports they produce play a significant role in providing assurance to the owners regarding the progress of the hospital and its service delivery.

On whether there were clear levels of controls in the hospital, 44.8% (n=78) of the respondents agreed, 33.3% (n=58) strongly agreed whereas 5.2% (n=9) of the respondents disagreed (M= 3.96, SD = 1.061). According to Paulinus *et al.* (2017), clear levels of controls are important in public sector corporate governance for making decisions and enhancing effective accountability for performance results. The research results also illustrated that 54% (n=94) of the participants agreed that there were clear ways for resource acquisition and utilization in the hospital, 36.2% (n=63) strongly agreed whereas 1.7% (n=3) strongly disagreed (M = 4.22, SD = 0.767). Research conducted by Kavinya (2019) also indicated that resource acquisition and utilization were important in-service delivery, and could be attained by among others, compliance utilization of allocated funds and compliance with budget levels. The implications indicated that the research conducted by Kavinya (2019) supports the importance of resource acquisition and utilization in service delivery. Compliance with the utilization of allocated funds and adherence to budget levels are essential factors in ensuring efficient resource management. When resources are acquired and utilized effectively, it can enhance the delivery of quality healthcare services, optimize operational efficiency, and maximize the impact of available resources. Also, the implications of having clear levels of controls and clear ways for resource acquisition and utilization in the hospital are significant since they contribute to effective corporate governance, improved decision making, accountability, and efficient resource management. Clear controls provide a framework for ensuring compliance with regulations, mitigating risks, and maintaining transparency within the organization.

On whether there were clear auditing procedures and processes made by the board in the hospitals, 50.6% (n=88) of the respondents agreed whereby 43.1% (n=75) of the respondents strongly agreed and 1.7% (n=3) of the respondents strongly disagreed (M = 4.33, SD = 0.738). Finally, 37.4% (n=65) of the participants strongly agreed that there were clear channels which were used by the board in communication whereby 24.1% (n=42) agreed whereas 1.7% (n=3) of the respondents disagreed (M = 3.94, SD = 0.975). These results largely support

the results of Kavinya (2019) and Paulinus *et al.* (2017). The findings generally imply that there were clear procedures on independence of the board in Garissa County Referral Hospital. This implies that the board established effective communication channels to disseminate information, decisions, and policies to relevant stakeholders within the organization. Clear communication channels facilitate transparency, accountability, and alignment of goals and expectations among board members, management, staff, and other stakeholders.

Correlation Analysis

This study conducted correlation analysis to examine the relationship between the independent variable, which is the independence of the board, and the dependent variable, which is public health service delivery. The aim was to investigate the impact of the board’s independence on the quality and effectiveness of public health services. The findings of the correlation analysis are presented in Table 2. This table provides information on the strength and direction of the relationship between the independence of the board and public health service delivery. The correlation coefficients indicate the degree of association between these variables. By examining the correlation coefficients, the study aimed to determine whether a higher level of board independence is associated with improved public health service delivery. Positive correlation coefficients would suggest a positive relationship, indicating that as the independence of the board increases, there is a tendency for better public health service delivery. On the other hand, negative correlation coefficients would indicate a negative relationship, implying that a higher level of board independence may be associated with poorer public health service delivery.

Table 2: Correlation Analysis Matrix

		Public Health Service Delivery
Public Health Service Delivery	Pearson Correlation	1
	Sig. (2-tailed)	
Independence of the Board	Pearson Correlation	.515**
	Sig. (2-tailed)	.000

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

The results show that independence of the board ($r = 0.515, p = 0.000$) had a significant relationship with public health service delivery in Garissa County Referral Hospital. This is supported by the high correlation coefficients (r) and low p -values ($p < 0.05$) for the variable. The findings on this positive relationship between variables largely agree with Keya (2019), Waiganjo (2017) and Daiser *et al.* (2017) findings. The alignment of these findings with previous studies by Keya (2019), Waiganjo (2017), and Daiser *et al.* (2017) further strengthens the implications. It suggests that the positive relationship between board independence and public health service delivery is consistent across different contexts and research studies. This consistency reinforces the significance of board independence as a key factor in promoting effective governance and improving service delivery in healthcare organizations.

VI. CONCLUSION

The research concluded that independence of the board positively and significantly affected public health service delivery in Garissa County Referral Hospital. This was attributed to the auditing process that was clearly stipulated in the hospital, clear ways for resource acquisition and utilization in the hospital and clear auditing procedures and processes made by the board in the hospitals.

The research recommends that that the proportion of independent board directors to representatives ought to be improved, as well as the reporting structure which should be made clear in the hospital. In addition to this, clear levels of controls in the hospital and clear channels which are to be used by the board in communication should be formulated. This will result in improved delivery of service in the hospital.

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