INFLUENCE OF STRATEGIC LEADERSHIP PRACTICES ON PERFORMANCE OF PUBLIC REFERRAL HEALTHCARE INSTITUTIONS IN NAIROBI CITY COUNTY, KENYA

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DECLARATION

I declare that this document and the research it describes are my original work and that they are not the academic work of any other university.
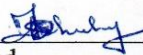
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This research was conducted under my supervision and is submitted with my approval as the university supervisor.

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DEDICATION

I bestow this research work to my sister, Iryn Mutunga, whose spiritual and moral support

has enabled me to complete it.

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ABSTRACT

Performance of public healthcare institutions in developed and developing countries has attracted concern from both healthcare providers and users of the health facilities. Lack of leadership has been cited as one of the key causes of poor performance in public healthcare institutions. The purpose of this study was to examine the influence of strategic leadership practices on organisational performance of public referral healthcare institutions in Nairobi City County, Kenya. The study was guided by four specific objectives: to examine the influence of strategic vision on performance of public referral healthcare institutions; assess the influence of core value initiatives on performance of public referral healthcare institutions; determine the influence of management innovation on performance of public referral healthcare institutions; and establish the influence of human capital development on performance of public referral healthcare institutions in Nairobi City County. The research was anchored on Transformational Leadership Theory, Upper Echelons Theory and Stewardship Theory. The study adopted a cross-sectional survey design. Primary data was collected using structured questionnaires. The study targeted 135 senior and middle level managers and 4 health facility in-charges of public referral hospitals in three (3) sub-counties of Nairobi City County hosting Kenyatta National Hospital, Pumwani Maternity Hospital, Mbagathi District Hospital and Mama Lucy Kibaki Hospital. All the managers and health facility in-charges were sampled. Stratified sampling procedure was used to divide respondents into the three sub-counties. Respondents from each stratum were selected using purposive sampling method. Pilot study was conducted to help test validity of the instrument and reliability (using Cronbach's Coefficient Alpha). Descriptive statistics were used to summarise data into meaningful form. For variable relationships, inferential statistics were utilised. Analysed descriptive and inferential data was displayed using graphs and tables. The study found out that strategic vision significantly influences performance of public referral hospitals, $\beta = .430$, $t = 4.975$, $p = .000$. Further, core value initiatives significantly influence performance of public referral hospitals, $\beta = .769$, $t = 12.569$, $p = .000$. Similarly, management innovation significantly influences performance of public referral hospitals, $\beta = .832$, $t = 15.675$, $p = .000$. Lastly, human capital development significantly influences performance of public referral hospitals, $\beta = .634$, $t = 8.568$, $p = .000$. The study concluded that although strategic vision, core value initiatives, management innovation and human capital development practices existed, some respondents were uncertain whether the practices were yet to be implemented. The study recommends that top management adopts strategies to gain trust from the facility users and the general public. This can be done by fostering honesty and support initiatives, consistent service delivery, and building accountability. In addition, introduction of new functional structures would enhance efficiency in operations in the health facilities. The study also recommends that employees be encouraged to advance their skills. This can be done through virtual training and learning, mentoring and job rotation exercises. Top leadership of the health facilities should ensure there exists equitable human resource development at all functional levels. The study further recommends that comparative studies be conducted on the same subject matter using views of lower cadre employees.

OPERATIONALISATION OF TERMS

Core values: In this study, core values entail the ability of an enterprise to perform activities in a manner that is competitive and superior to its competitors which results to organisational performance.

Human capital development: This is the art of building exceptional human resource functions with a view to fostering powerful infrastructures for learning and skill development to facilitate the creation of culture that promote growth of leaders.

Management innovation: Operationally defined, is the ability of top management to invent new functional processes, functional structures, ideas, products, and services which were non-existent before as a value proposition to the target market.

Organisational performance: Refers to the measure of shareholder return, financial, market share and organisational effectiveness which encompass a wider dimension of both economic and non-economic parameters like operational efficiency, corporate social responsibility, and customer satisfaction.

Quality: Is cost-benefit derived from the administration of effective medication, utilising state-of-the-art technology, deployment of efficient and effective internal processes that enhance service delivery and result in improved patient satisfaction.

Strategic leadership: Operationally defined, is the ability to utilise strategic thinking in managing workers through direction, innovation, motivation, and communicating a shared vision with employees with a view to achieving organisational objectives.

Strategic vision: For the purpose of this study, is the ability of healthcare leaders to articulate a clear vision or direction that is aligned to the mission of the institution with an orientation around exceptional service delivery to customers.

ABBREVIATIONS AND ACRONYMS

ANOVA: Analysis of variance

BSC: Balanced Score Card

HMIS: Health Management Information System

KNH: Kenyatta National Hospital

LMIC: Low, and Middle-Income Countries

MoH: Ministry of Health

NACOSTI: National Commission for Science, Technology and Innovation

NGOs: Non-Governmental Organisations

OP: Organisational Performance

ROA: Return on Assets

ROI: Return on Investment

SMEs :   Small and Medium Enterprises

SPSS   :   Statistical Package for Social Scientists

TMT: Top Management Team

UK: United Kingdom

UNICEF: United Nations International Children's Emergency Fund

USA: United States of America

USAID: United States Agency for International Development

VIF: Variance Inflation Factors

WHO: World Health Organisation

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study, statement of the problem, purpose and objectives of the study, study hypotheses, significance and scope of the study, delimitations, limitations, and assumptions of the study. Finally, this chapter contains a theoretical framework and an overview of the conceptual framework to examine the influence of strategic leadership practices on performance of public referral healthcare institutions in Kenya.

1.2 Background of the Study

Healthcare organisations in developed and developing countries adopt strategic leadership practices to satisfy customer needs as well as transform themselves in response to the rapid changes occasioned by technology and leadership approach (Speziale, 2015). Studies on healthcare institutions have reported that patient experience plays a pivotal role in the assessment of service quality which is premised upon customer expectation vis-à-vis the received service. Leaders in the healthcare sector are increasingly under pressure to demonstrate customer-centred approach to service and sustained improvement in service delivery. Quality in the context of healthcare may include administration of contemporary and effective medication, state-of-the-art technology, balanced patient to staff ratios, efficiency, and effectiveness of service delivery as well as affordable service (Ranjith, 2018).

Healthcare sector in Kenya comprises of Non-Governmental Organisations (NGOs), private for-profit, private, and faith-based organisations with the public sector being the major player. The public sector in this case includes the Ministry of Health (MoH) and parastatal organisations (African Population and Health Research Centre, 2017). Over the past decade, the business environment has evolved into a complex, unpredictable, and turbulent form. This necessitates formulation of new strategies that are regularly reviewed. Strategy formulation depends a lot on how the leader is skilled and thorough in identifying shortcomings within the organisation, their ability to identify obstacles on the path of execution as well as their capacity to chart the best possible way forward. The leader's goals and priority are to produce excellent results within a short time frame (Mbaya, 2017).

Strategic leadership practices call for leaders with ability to utilise strategic thinking in human resource management through direction, innovation, motivation, and communicating a shared vision with employees. This is with a view to achieving organisational objectives (Hitt, Ireland, & Hoskisson, 2019). Strategic leaders are assumed to be talented in envisioning, anticipating, and initiating changes that build competitive advantage (Orlando-Rivero, 2016). These are the leaders' organisations require to influence successful strategic actions, shape their strategic mission as well as shape the formation of strategic intent. Strategic leadership has a direct effect on overall organisational performance of many business firms. However, existing empirical inquiries have focused on performance of private entities with little regard to public organisations that exhibit poor service delivery (Hitt *et al*., 2019).

1.2.1 Performance of Public Referral Healthcare Institutions

Performance is a measure of how well resources of a firm are being utilised. There are three known dimensions to organisational performance. These factors include total shareholder return, financial performance and a firm's product performance which comprise of sales turnover, growth, and market share (Ekienabor, 2018). Studies suggest that Balanced Scorecard (BSC) performance measurement model has increasingly gained dominance as a tool commercial firms use for measuring performance (Chogozie & Emmanuel, 2018).

As a multidimensional model for measuring organisational performance, the BSC integrates the financial, customer or market, internal business processes as well as learning and growth perspectives of the firm (De Felice & Petrillo, 2015). Most business enterprises, however, tailor-make BSC model to suit their own unique circumstances and specific industry dynamics. The tool measures internal and external economic value of an organisation. In addition, the BSC furnishes executives of an organisation with a holistic outline that could transform the vision and strategy of a firm into sound and interconnected set of performance measures (Hamid, 2018). Organisational performance is crucial in strategic management. Performance is measured in terms of profit, service delivery, employee attitudes, customer satisfaction, output and outcomes, internal processes, and procedures, as well as a firm's agility to respond to the environment and competition (Andersen, 2016).

Healthcare services in Kenya are delivered through a network of over 6,152 establishments. The government is the major provider owning 51% of all health facilities, the private not-for-profit (largely faith-based institutions) owns 14.8% while the private

for-profit owns 34.3% of total facilities (Ngugi *et al*., 2017). Superior quality care is found in private hospitals, which represent the apex of the healthcare system and provide therapeutic, diagnostic, and rehabilitative services (Ministry of Health, 2019).

Radical changes in the healthcare industry in Kenyan were initiated in 2013, marked by the implementation of the new constitution that devolved healthcare service delivery from national government to county governments. To survive this shift, healthcare institutions are beginning to make progress and expand through access to new markets, providing attractively priced services, satisfying employees and customers, and developing new strategies, among other initiatives. It is therefore the responsibility of executives and managers of healthcare institutions to look for appropriate tools and techniques for the appraisal of the internal and external cost of services and products. They are equally mandated to obtain market information, assess customer needs and wants, forecast, and assess organisational performance as well as guarantee competitive advantage in the value chain (Andersen, 2016).

In healthcare sector, quality service can be viewed in two dimensions: functional and technical quality (Hamid, 2018). Although technical quality is fundamentally described based on the precision of medical diagnoses, procedures, or conformity to professional standards, on the other hand, functional quality focuses on the protocols observed in healthcare service delivery to patients. There has been public outcry over poor services delivered by public referral hospitals in Nairobi City County notably from Pumwani Maternity Hospital, few reported cases of negligence in Mama Lucy Kibaki Hospital and public complaints about low quality services in public healthcare institutions

situated in Starehe, Kamukunji, Kasarani, Makadara, Embakasi, Kibra, Dagoreti, Lang'ata and Westlands (African Population and Health Research Centre, 2017).

1.2.2 Strategic Leadership Practices

For the purpose of this study, strategic leadership can be described as the capability of leaders to provide appropriate direction, facilitate change, gain commitment from employees and stakeholders, and achieve superior healthcare services through innovation, efficient and responsible deployment of employees and other health resources. The key forces towards successful execution of a firm's objectives and strategies are a strong organisational culture and organisational leadership (Redmond, 2017).

Organisational success or failure is attributable to its leadership (Bratton, 2020). The leadership of an organisation may, for instance, fail to accurately recognise threats and efficiently take appropriate action to address them, lay no boundaries between leaders' interests and those of the firm, underestimate obstacles as well as inability to sell a compelling vision to followers among others (Leithy, 2017). In order to gain and maintain high organisational performance and win stakeholders' confidence, strategic leadership ought to be in an apex position to steer the firm in a manner that facilitate formation of strategic vision and mission.

Strategic leadership has been employed in healthcare organisations only in the past 20 to 30 years and has become vital in their development (Chatterjee, Suy, Yen, & Chhay, 2018). Leadership methods employed in both private and public healthcare sector have their genesis in business management. In healthcare, having the right strategic leadership tools and techniques enhance business success. Furthermore, there exists a complex inter-relationship between leadership, organisational performance, and healthcare professionals.

Healthcare institutions, therefore, must have strategic leadership directed towards managing change effectively and become "masters of renewal" in this dynamic healthcare environment (Afonina, 2015) to achieve superior performance.

Strategic vision is an important dimension for anyone in leadership position and is associated with future directed goals (Jonyo, Ouma, & Mosoti, 2018). Further, leadership vision provides insights on what an organisation is developing into. The capability of an organisation to develop a vision and manage it through changes created by the vision represents organisational competencies that foster competitive advantage (Babu & Chalam, 2016). While strategic leadership encapsulates formulation and articulation of a clear vision, the value espoused by strategic vision is attained when the vision has been implemented under a leadership with critical leadership competencies. Visionary leadership has been characterised as the type of leadership that is risk-taking and future oriented (Nwachukwu, Chladkova, Zufan, & Olatunji, 2017).

Core values provide organisations the basis for competitive advantage. These values are the resource and capabilities of an enterprise that allow a firm to compete favourably and typically relate to organisation's functional skills (Soleh & Sule, 2020). A strategic leader's role is to make decisions that aid the organisation grow, sustain, strengthen, leverage and exploit core values. Generally, the most relevant core values are derived from intangible resources as they are difficult for competitors to imitate and relate to employees' knowledge, skills, and attributes (Daniel, 2020). Core value initiatives are central to an organisation's strategy and competitiveness. A core value is incredibly valuable to an organisation due to the critical influence it has on the marketplace success of an organisation. Core values is postulated as the ability of a firm to perform competitive

and superior activities to its competitors which result in organisational performance (Jabbouri & Zahari, 2016).

Alnacef and Alhajjar (2017) describe human capital development as important practise in aiding systematic and continuous acquisition of skills and knowledge that would be useful in the performance of various functions in current or expected future roles. Besides, human capital development will allow workers explore and use their inner capabilities for their own developmental purposes as well as improve organisational performance. Information on employees and their abilities are the core basis of development (Wang & Chang, 2015). In the recent past, businesses have been compelled to mobilize and align their human capital to the organisation strategy (Bailey, Mankin, Kelliher, & Garavan, 2018). Therefore, human resources are key assets for organisations to gain competitive advantage (Dachner, Ellingson, Noe, & Saxton, 2019).

Management innovation is associated with changes in employee motivation, coordination of activities, decision making and renewal of internal structures. Management innovation competencies help organisations to accomplish high performance through integration of multiple practices in new ways. In particular, management innovation is an important driver of organisation performance (Hervas-Oliver & Rojas-Alvarado, 2018).

1.3 Statement of the Problem

Performance of public healthcare institutions in undeveloped and developing countries has attracted concern from both healthcare providers and users of the health facilities. Lack of leadership has been cited as one of the key causes of poor performance of public healthcare institutions (African Population and Health Research Centre, 2017). In this regard, absence of leadership hinders effective strategy formulation and execution.

Further, despite the important role strategic leadership plays on firms' performance, there exists paucity in literature on the correlation between strategic leadership and the performance of healthcare institutions in low and middle-income countries (LMICs).

There exists limited number of studies which have investigated the public health sector (Afonina, 2015). As far as quality service delivery as a measure of organisational performance is concerned, most public health facilities in Kenya have been reported to be in distressed state that inhibits them from delivering efficient services to patients (Wambugu, 2011). To lessen the terrible condition, appropriate actions have been proposed with minimal success. This study proposed to broaden the parameter of measuring organisational performance to include non-financial dimensions. These factors include employee or user satisfaction, responsive service delivery, efficiency or effectiveness of internal processes, employee attitudes and corporate image as measures of organisational performance of public referral healthcare institutions. Moreover, while strategic leaders manage multiple stakeholders, it is imperative that their performance is measured based on the value they add to the operations of their organisations. This study sought to examine influence of strategic leadership practices on the performance of public referral hospitals in Nairobi City County, Kenya.

1.4 Purpose of the Study

The purpose of this study was to examine influence of strategic leadership practices on the performance of public referral hospitals in Nairobi City County, Kenya.

1.5 Objectives of the Study

This study was based on the following specific objectives:

i. To examine the influence of strategic vision on the performance of public referral healthcare institutions in Nairobi City County, Kenya.

ii. To assess the influence of core value initiatives on the performance of public referral healthcare institutions in Nairobi City County, Kenya.

iii. To determine the influence of management innovation on the performance of public referral healthcare institutions in Nairobi City County, Kenya.

iv. To establish the influence of human capital development on the performance of public referral healthcare institutions in Nairobi City County, Kenya.

1.6 Research Hypotheses

H_{01}: There is no significant influence between strategic vision and performance of public referral healthcare institutions in Nairobi City County, Kenya.

H_{02}: There is no significant influence between core value initiatives and performance of public referral healthcare institutions in Nairobi City County, Kenya.

H_{03}: There is no significant influence between management innovation and performance of public referral healthcare institutions in Nairobi City County, Kenya.

H_{04}: There is no significant influence between human capital development and performance of public referral healthcare institutions in Nairobi City County, Kenya.

H_{05}: There is no significant influence between strategic leadership practices and performance of public referral healthcare institutions in Nairobi City County, Kenya.

1.7 Significance of the Study

Findings from this study are valuable to academicians and researchers. Strategic leadership in healthcare institutions is an emerging market perspective. To understand strategic leadership dynamics in the public healthcare sector, the target population (referral hospitals in Nairobi City County) was found appropriate to provide adequate answers to the study hypotheses, hence, findings from this study can apply to other public healthcare facilities in Kenya. The study results have provided empirical data to scholars on strategic leadership practices that impact organisational performance in public referral hospitals. Additional research could be conducted in other industry sectors.

The government as well as policy makers will benefit from this study as study results will help them establish whether there is any improved performance in public healthcare institutions that can succinctly be attributed to strategic leadership. This will aid in the formulation of policies that enhance and present an environment where service provision by public healthcare institutions can thrive. Investors will also benefit as results from the study can assist them appreciate the management complexities in public healthcare facilities and how their survival depends on strategic leadership.

1.8 Scope of the Study

In order to accomplish the purpose of the study, the independent variables which include strategic vision, core value initiatives, management innovation, and human capital development practices, and the dependent variable, organisational performance, was studied. The public referral hospitals under this study include Kenyatta National Hospital (KNH), Pumwani Maternity Hospital, Mbagathi District Hospital and Mama Lucy Kibaki

Hospital. The survey obtained primary data from senior and middle level managers in these public referral hospitals.

1.9 Delimitations of the Study

This study was delimited to public referral hospitals in Nairobi City County. The County had been chosen since several referral healthcare facilities had reported cases of perceived low performance, thus the study results could be validly generalized to other public healthcare establishments in Kenya.

1.10 Limitations of the Study

The researcher was limited to restrictions by the government on information sharing, especially sensitive data. This challenge was mitigated through assuring respondents of confidentiality. There were no study participant's identifiers like names that would link a participant to any piece of information and only the study participants and the researcher had access to data or information collected.

For respondents who were busy with their schedules and were rarely available to respond to the questionnaire, the researcher observed the World Health Organisation (WHO) and government Covid-19 protocols and booked appointments with the study participants to collect accurate information.

1.11 Assumptions of the Study

While the study was anchored on Upper Echelons Theory, the researcher assumed that leadership in public referral hospitals possesses strategic leadership competencies. In addition, it was assumed that the instrument for data collection would bring out reliable responses and that respondents would provide honest opinions on strategic leadership

practices and actions. It was also assumed that information from referral hospitals in Nairobi City County would give highlight of the status of healthcare institutions in Kenya.

1.12 Theoretical Framework

The study was anchored on three theories that gave details on strategic vision, core values, management innovation, human capital development practices and performance in organisations. The study was guided by Transformational Leadership Theory, Upper Echelons Theory, and Stewardship Theory.

1.12.1 Upper Echelons Theory

Upper Echelons Theory was postulated by Hambrick and Mason (1984) and provides the architecture for research on senior managers. Their emphasis was on the significance of individual characteristics of top managers in organisations that provides various appraisal tools for organisational performance. The theory posits that a leader's characteristics including values, personalities, expertise, and past experiences influence how they make strategic and organisational decisions. These characteristics can also impact on how leaders scan their environment and influence strategic decisions regarding change, risk, and innovation.

The theory argues that organisational outcomes, in so far as strategies and effectiveness are concerned, is a mirror of the values and cognition of top management team (TMT) in a firm (Hambrick & Mason, 1984). TMT thrives on the association of its members (Ahmed, 2013). Successful execution of strategic issues and strategic leadership comprise both leadership and management functions (Hitt *et al*., 2002). Hambrick and Mason posit that to a large extent, TMT is influenced by executive demographic and

psychographic characteristics. This is what informs their adoption and endorsement of various management practices within the organisation. Hambrick further assert that an organisation is a direct reflection of its strategic leader.

Strategic leaders are important assets to an organisation and are devoted to strategic actions in the organisation (Mubarak & Yusoff, 2019). In relation to this study, demographic attributes of a leader are important as they influence strategic direction and decisions made by the leader in streamlining overall performance of the organisation. The main variable (demographic) in Upper Echelons Theory has a positive relation with strategic leadership which influences organisational performance of public referral hospitals in Kenya. The theory is important as it addresses the strategic vision variable.

1.12.2 Transformational Theory of Leadership

Burns (1978) introduced Transformational Theory of Leadership when studying political leaders. The theory has been adopted in studying organisations as well. Transformational Theory of Leadership focuses on a leader's capability to develop treasured and positive change in their followers (Burns, 1978). Transformational leaders are those who focus on making significant or marked changes. They encourage, inspire, and motivate their followers to raise one another, and create change that aid in growing and shaping the future success of the entire organisation (Bertocci, 2009).

Transformational leaders inspire and motivate their followers without micromanaging. They trust and train their followers to take charge of and make decisions in their work assignments. This leadership style is designed to give followers room to be innovative and develop new solutions to old problems (Northouse, 2013). Followers under this leadership style are developed through mentorship and training. Followers respond by

trusting, admiring, showing allegiance and regard to their leader. At the same time, followers show readiness to carry out assignments diligently.

In relation to this study, the Transformational Leadership Theory sheds light on the relationship between leadership agility and innovation in aiding suitable judgment in task orientation and management of interrelationships within the organisation. An understanding of the role transformational leadership plays in organisational performance presents a model that causes leaders in public referral hospitals to embrace strategic leadership skills. The strategic leadership skills help them to develop core values and competencies of their workforce. At the same time, the strategic leadership skills encourage innovation to improve organisational performance. The theory is important as it addresses variables in management innovation, core values and human capital development.

1.12.3 Stewardship Theory

Stewardship Theory by Donaldson (1990) assumes that managers in organisations are stewards hence their thinking patterns are aligned to their organisations' mission and vision plus objectives of their principals. Further, the theory asserts that managers who double as leaders are supposed to serve the organisation with utmost loyalty and steer the achievement of organisational goals. Besides, the stewardship theory argues that managers, whether in public or private organisations, need intrinsic motivation to successfully carry out challenging work. They employ authority and responsibility, hence, earn recognition from their bosses and peers (Donaldson, 1990).

Under the Stewardship Theory, the executive manager ideally desires to carry out an outstanding job and be an outstanding steward entrusted with corporate resources. The theory, therefore, supports the position that there exist no natural or general challenges to

an executive's motivation. In light of the absence of intrinsic motivation challenges amongst executives, the degree at which they can accomplish the desired outstanding organisational performance rises (Barney, 1990).

The Stewardship Theory further holds that variations in performance stem from whether the situational structure the executive is placed in facilitates impactful actions by the executive. The puzzle therefore lies on the extent to which organisational structure supports the executive to devise and implement plans that facilitate high corporate performance. Organisational structures thus support this objective in measures that offer clear, reliable performance of the anticipated role, and provide authority to TMT (Donaldson, 1990).

The Stewardship Theory applies in this research in the sense that most public referral hospitals in Kenya are perceived by members of the public to offer poor services. Strategic leadership (in terms of facilitative role, empowering structures, and empowered employees) should be embraced by top managers to steer organisational performance. The theory is also important as it addresses organisational performance variable.

1.13 Conceptual Framework

The conceptual framework of the study (Figure 1.1) is a diagram representation of the hypothesised linear relationship between independent variables (strategic vision, core value initiatives, management innovation and human capital development practices) and the dependent variable (performance of public referral health institutions).

In explaining the conceptualized study variables, first, strategic vision in this study means the ability of healthcare leaders to articulate a clear vision or direction that is aligned

to the mission with an orientation around exceptional service delivery. The ability to chart courses of action that respond to the dynamic changes in the environment facilitates sustainable competitive advantage. Leadership vision reflects how the leader infuses a sense of purpose to influence and motivate their teams to achieve organisational objectives and goals.

Secondly, core value initiatives are competencies and skills that differentiate a firm in the marketplace and are the foundation of an organisation's competitiveness. These include organisational philosophies in fulfilling their mission, leadership and technical skills and ability to adapt to changes as well as sound corporate governance practices.

Thirdly, management innovation encompasses a leader's ability to roll out not only new but functional processes, new functional structures, and one with an innovative orientation to support the public referral hospitals to adopt electronic health management systems.

Human capital development refers to endeavours undertaken to improve the performance and capabilities of employees of an organisation. Human capital is the most valuable asset in an organisation. Therefore, activities that enhance human capital management and performance management increase organisational performance.

Lastly, organisational performance is a set of financial and non-financial dimensions that allow strategic leadership to assess the scope of achievement of organisational objectives (Kaplan & Norton, 1992). The study sought to measure non-financial attributes of customer satisfaction, service delivery, efficiency and effectiveness of the internal processes, employee attitude and corporate image.
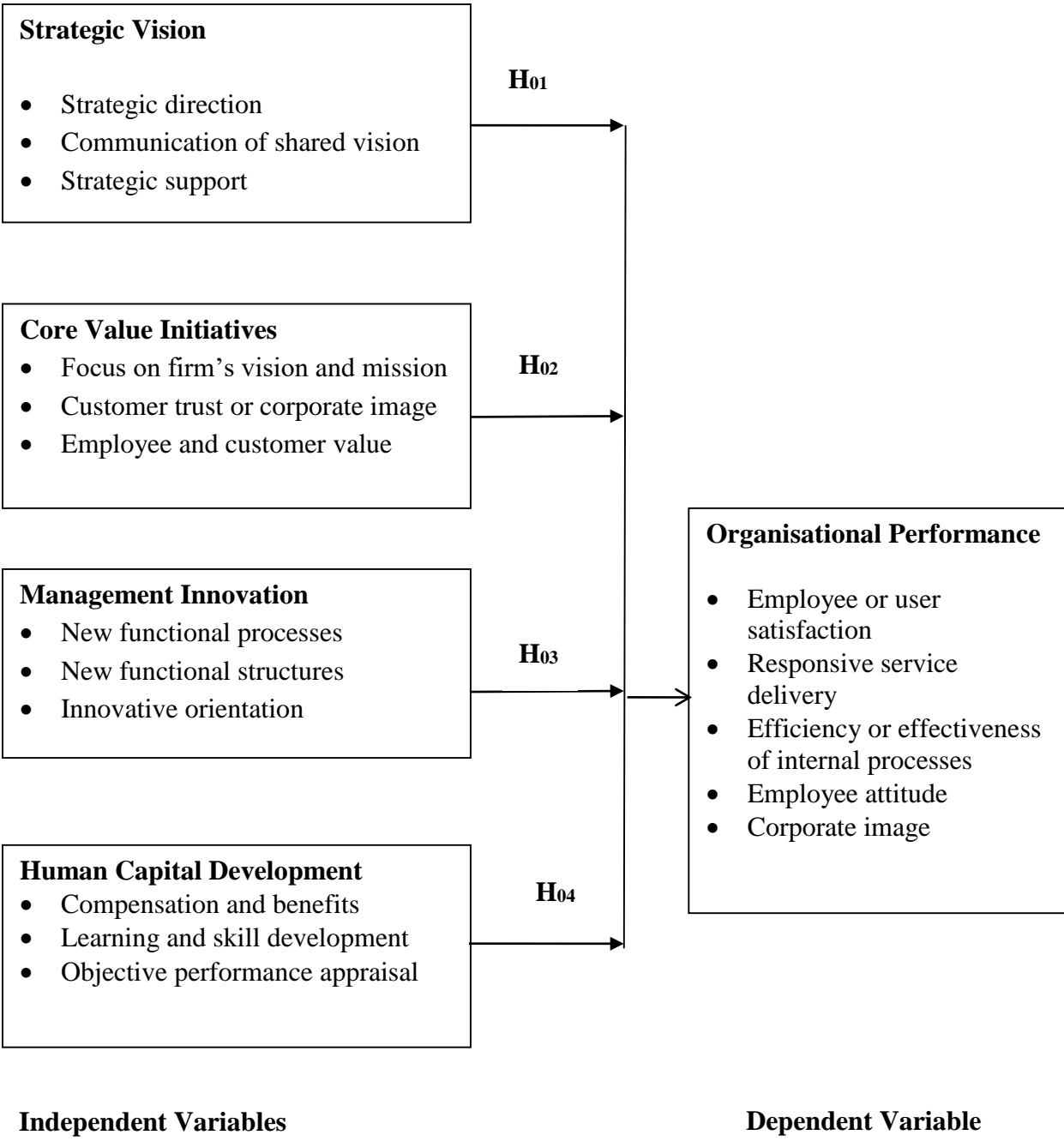
Figure 1.1: Conceptual Framework

Source: Researcher (2020)

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers empirical review and analysis of literature related to the variables under study. A thematic approach guides the discussions in this chapter.

2.2 Empirical Review

2.2.1 Strategic Vision and Performance of Public Referral Healthcare Institutions

Multiple scholars have discussed the importance of organisational strategic vision in strategic leadership and its relationship to a firm's performance. The body of research posits that effective implementation of an organisation's strategic vision results in organisational effectiveness (Dhammika, 2014). Further, there is a positive relationship between strategic vision with employee inspiration and organisation performance (Edwards, 2014). On the other hand, Gulati, Mikhail, Morgan and Sittig, (2016) insist that strategic vision that is action oriented, innovative and takes into consideration the organisation's mission and values enhances organisational performance.

Brady and Walsh (2008) studied how strategic direction influences organisational performance by collecting data using in-depth semi structured interviews on professional service firms. The study found that strategic direction as exhibited by the organisation's top leadership had notable relationship to organisational performance and recommended further research to compare empirical results. In this regard, this study will provide empirical quantitative data on the interrelationship that there is between strategic leadership and the performance of public referral hospitals in Nairobi City County.

Jooste and Fourie (2009) studied the influence strategic leadership has on the performance of financial firms in South Africa. The researchers emailed structured self-administered questionnaires to 930 randomly chosen directors of the financial firms who were assumed to oversee strategic leadership. The results showed that effective strategic leadership as measured by strategic vision of the firm directors significantly influenced organisational performance. The researchers recommended further studies to be done on non-financial firms, a gap that will be addressed by this study.

Ouagari (2020) research also found that for an organisation to perform, it should have a business strategy based on strategic leadership with a clear global vision. The study posited that the major cause of shrinking effectiveness in several organisations is attributable to lack of clear vision. Kirimi and Minja (2010) study found that organisational performance deteriorates when their leadership falls short in selling a clear vision to their followers, or fails to communicate the shared vision to followers for buy-in. As a result, they are unable to influence the followers and inspire organisational performance.

Nthini (2015) study used 201 respondents to assess their views on the impact strategic leadership has on the performance of commercial banks. Using cross-sectional survey, the study found that the banks' visions, objectives, and missions accounted for 58% variance in the banks' performance. A similar study can therefore be done on public referral hospitals to confirm if leadership in public referral hospitals determines their overall performance.

2.3.2 Core Value Initiatives and Performance of Public Referral Healthcare Institutions

Core value initiatives enable an organisation to adapt to new competitive environment, enhance organisational effectiveness and performance (Liang, 2013). Core value initiatives thus enhance customer trust and boost corporate image. An exemplary foundation of sustainable competitive advantage has its roots in an organisation's core value initiatives that are rooted in outstanding organisational routines and processes that require moulding and development (Jabbouri & Zahari, 2016).

Matthews and Brueggemann (2015) recognises the need to identify a framework for investing core value initiative concept to create competitive advantage for organisations to ensure sustained success. Core values, however, do not guarantee success. Organisations need to identify the right measures to use to leverage core value initiatives to their advantage. It is therefore clear that core value initiatives are crucial guidelines strategic leadership can use them as yardsticks against competing organisations.

Jones (2015) study on company values, norms and standards in Japanese electronics firms used middle and low-level managers to assess whether the senior managers' strict adherence to company core values stimulated company employees to work towards achieving company goals. Using structural equation modelling, the study found that employees' perception of their senior management's commitment to company values boosted their morale to also enforce company values and work collectively in improving company performance.

Further, in a study on Chinese health firms, Pearce (2011) analysed the cultural orientation of Chinese workers from the point of view of work values. Using both

inferential and descriptive statistics, the study found that most respondents valued their firms and believed in teamwork and commitment to work ethics as motivated by their team leaders. This can in turn enhance a firm's performance. The study thus recommended that for employees to be committed to company values, the top management should exhibit unquestionable adherence to core values of the firm. This way, they will encourage employees to work towards achieving company goals.

Wan-Ching (2014) study on company core values of India's health institutions, however, found an insignificant relationship between company core values and organisational performance. That is, innovative health equipment and trusted herbal treatments boosted the performance of Indian health institutions for several years. Kiplangat and Kipkemoi (2020) found that managers' strict enforcement of mission statements and motivating company employees to align their interests to that of the mission of the company boosted the company's values and priorities. Consequently, organisational performance was enhanced.

2.3.3 Management Innovation and Performance of Public Referral Healthcare Institutions

For organisations to stay afloat in the face of competition and to increase market share with innovative services or products, strategic leadership is paramount. There is need therefore for organisations to penetrate the internal environment and to continuously break into new frontiers to accomplish competitive sustainable advantage. Needless to say, organisations that adopt innovation capabilities achieve their goals and outperform competitors in a turbulent industry (Zhang, Khan, Lee & Salik, 2019).

Research by Samad (2012) showed positive influence innovation had on organisational performance. He asserts that strategic leadership creates value by laying emphasis and capitalizing on product innovation to seize the minds of the consumers. Strategic leadership ought to be innovative, a creative driver to building an innovative culture for new ideas and processes to flourish and be rewarded (McMillan, 2010). Strategic leaders inspire creativity, new processes, and ideas to thrive and as such, these leaders must possess innovation capability.

UNICEF (2014) research identified several factors affecting sustainability of community managed water provision as management innovation processes. The factors include design, participation, operation, maintenance, monitoring, evaluation, and technological factors such as suitability, acceptability, responsiveness, servicing needs, standards, and costs. The study recommended application of management innovations in public institutions, a gap that this study will fill.

Walker (2017) study on the use of management innovations in organisational performance of private health organisations in UK found that management innovation played a crucial role in enhancing efficiency and effectiveness of internal processes. Besides, management innovation enhanced the private health firms to adapt to environmental changes. This consequently enhanced overall organisational performance. Further, Walker (2018) review of quantitative studies on the use of management innovation in both private and public firms found that management innovation influences organisational performance positively. That is, though management innovation is risky, meets some resistance and its victory not always assured, its effective adoption enhances performance. This notion confirmed the point of view espoused by resource dependency

and contingency theories that organisations are agile systems that facilitate change to function effectively.

Kabetu and Iravo (2018) found that the adoption of management innovation practices like the balanced scorecard and total quality management increased organisational performance. Moreover, management innovation aided in aligning the organisation to appeal for environmentally oriented quality services at lower costs. Thus, management innovation can be applied in public referral health facilities to improve service delivery.

There are limited empirical enquiries on the influence of management innovation on performance of public institutions. This is the gap that this study will address. This study will determine the influence of management innovation on performance of public referral hospitals in Nairobi City County.

2.3.4 Human Capital Development and Performance of Public Referral Health Institutions

Strategic human resource management provides a blueprint of key attributes that can develop the next generation of leaders (Soleh & Sule, 2020). These leaders with potential to shape their generation are crucial for firms to triumph in the dynamic environment that is characterized by volatility, complexity, uncertainty, and ambiguity. These attributes include ability to articulate leadership development as a high strategic priority. Increasingly, building exceptional human resource functions with a view to fostering powerful infrastructures for learning and skill development facilitate the creation of organisational culture that promotes the development of leaders (Lengnick-Hall, Lengnick-Hall, & Rigsbee, 2013).

Although many organisations scramble to develop sufficient future generation leaders, in the recent past, senior leaders in several organisations have made significant inroads towards this end (Kramar, 2014). Studies have further indicated that in order to achieve organisational success, leaders must invest heavily on establishing, cultivating, and managing meaningful human relationships (Mitchell, 2013). The enhancement of satisfactory interpersonal relationships shows a tendency that is fundamentally greater in achieving organisational success.

Compensation predisposes a strong influence on motivation, job satisfaction and turnover intention (Pooja, 2013). Use of compensation packages that reward managers' efforts enhance their participation, engagement, and innovation to increase performance (Po-Chien & Shyh-Jer, 2011). Favourable decision making as well as assumptions of liability in the work of managers can be achieved through extensive training which plays a key role in enhancing knowledge, abilities, and skills of the managers (Barba-Aragon & Sanz-Valle, 2014).

Developing organisational workforce is a very important measure for effective strategic leadership. This is because organisational core competencies cannot be effectively exploited in the absence of employees with the right knowledge, skills, and attributes. The capability to build competency of an organisation's workforce is dependent on organisational culture (Ramdhani, Ramdhani, & Ainissfiya, 2017).

Chigozie and Onyia (2018) interrogated the influence of human capital development on organisational performance of manufacturing industries in South-East Nigeria. The study used the survey approach and distributed questionnaires to a sample size of 358 participants comprising employees and distributors. The study advises

organisations to learn continuously, share knowledge, develop, and cultivate a learning culture to enable them to compete effectively in the global arena. Learning and development motivate employees and boost their commitment to the firm. Further, human capital development viewpoint asserts that there is a significant positive correlation between innovation and organisational performance.

Nzuve and Bundi (2012) study on the impact human capital development practices have on performance of commercial banks in Kenya associate a positive outcome on performance in relation to both return on assets and turnover growth. On the other hand, Odhong' and Omolo (2015) used a case study approach and stratified random sampling technique to ascertain the effect human capital development has on organisational performance of Investment and Mortgages Bank in Kenya. The study found that an amalgamation of employee engagement, knowledge accessibility, workforce optimisation and learning capacity improve human development practices and organisational performance.

2.3.5 Strategic Leadership and Performance of Public Referral Healthcare Institutions

Over the years, researchers have asserted that leaders have satisfactory judgment and strategic choices to impact organisational performance. Consequently, studies on the correlation between strategic leadership and organisational performance have reported a positive relationship between the two variables. Therefore, the role played by leaders in influencing enterprise performance through their strategic choices and behaviour is paramount to organisational performance (Quigley & Hambrick, 2015).

Organisational performance refers to the measure of shareholder return, financial, market share and organisational effectiveness. Likewise, organisational performance encompasses a wider dimension of both economic and non-economic parameters like operational efficiency, corporate social responsibility, and customer satisfaction (Singh, Darwis & Potocnmik, 2016). It is an analytical review of the empirical studies on measurement of organisational performance that points towards biasness on attainment of financial goals, more so, on return on investment (ROI) or return on assets (ROA). Organisations need to identify various stakeholder interests, hence organisational effectiveness provides a better understanding to describe performance (Jaleha & Machuki, 2018).

The use of BSC model considers operational and strategic measures as well as management accounting (Kaplan & Norton, 1992). The BSC is considered a multi-dimensional model that captures historical information and anticipated future performance measures. Kiplangat and Kipkemoi (2020) research used descriptive research design and stratified sampling procedure to determine influence of strategic leadership on the performance of Kenya tea estate firms in Nandi County. The study established that visionary and transformational leadership significantly influenced performance of the tea estates.

Kaguru and Mugambi (2020) inquiry on effects of strategic leadership on performance of government managed entities in Kenya confirmed that organisation strategic vision, effective resource management, organisational controls and sound corporate governance significantly influenced customer satisfaction, employee turnover, return on investment as well as net profit margin. Gakenia and Kiriri (2017), however,

found that strategic leadership styles only have no effect on academic performance of national schools in Kenya.

2.3 Summary of the Reviewed Literature

This chapter addressed empirical research findings that are related to strategic leadership and organisational performance. In a summary, Nthini (2015) assessed the influence of strategic leadership on performance of commercial and financial state corporations in Kenya. Besides, Kitonga (2017) looked at effects of strategic leadership practices on the performance of non-profit organisations in Nairobi City County, Kenya. Similarly, Ng'ang'a (2018) studied perceived influence of strategic leadership on performance of tourism governmental agencies in Kenya. Likewise, Nyamao (2016) researched with the objective of determining the impact of performance of SMEs in Kenya by leaders who are strategic. While Mutia (2016) examined the influence strategic leadership has on church growth in Kenya, Ndunge (2014) assessed strategic leadership and change management practices at the Kenya Wildlife Service. Finally, Kabetu and Iravo (2018) inquired on influence of strategic leadership on the performance of international humanitarian organisations in Kenya.

2.4 Research Gap

Various studies reviewed have mostly been carried out in various sectors and industries none has focused on the public referral hospitals. Several the studies have been done in African countries and the developed countries, but few have covered Kenya. There are no studies in existence that address the context of healthcare in Kenya and more specifically on the perceived influence of strategic leadership on the performance of public referral hospitals within the devolved healthcare system in Kenya. There is little evidence

in literature on the perceived relationship between strategic leadership dynamics and performance among the public referral hospitals in Kenya. In addition, inconsistent conclusions drawn from reviewed literature and scanty empirical evidence from reviewed literature on the impact of strategic leadership in the healthcare sector motivated this research to examine the influence of strategic leadership practices on the performance of public referral hospitals in Nairobi City County.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section covers research design, research site and target population, study sample, data collection, data analysis as well as legal and ethical considerations.

3.2 Research Design

Research design is a conceptual structure within which research is conducted (Kothari, 2007). It constitutes the blueprint for the collection, measurement, and analysis of data. This study used a cross-sectional survey design because the study intended to pick only some representative sample elements of the cross-section of the study population. The cross-sectional approach was preferred because the study was conducted among various participants over a short period of time, and this did not necessitate follow-ups. The survey was also preferred because it allowed the researcher to get detailed information about the study.

3.3 Research Site and Rationale

Research site is the selected physical boundaries where the target population of study thrives (Kombo & Tromp, 2006). This study focused on public referral hospitals which are a critical cog of the devolved healthcare system. Referral hospitals can provide useful information for the study of strategic leadership practices. The referral hospitals include KNH, Pumwani Maternity Hospital, Mbagathi District Hospital and Mama Lucy Kibaki Hospital. They are distributed across three sub-counties which include Kamukunji, Kibra and Embakasi West. The selection of the hospitals was because they embrace

strategic leadership practices. The hospitals are not distributed across all sub-counties in the county. Selection was only based on the 3 sub-counties where these hospitals are located.

3.4 Target Population

Target population is the entire group of people, cases, or events a researcher intends to examine (Orodho, 2003). A population element is the individual item on which measurement is taken. In this study, the researcher targeted 135 senior and middle level managers and 4 healthcare facility in-charges of public referral hospitals in Nairobi City County. The target population of the study was therefore 139 individuals comprising of managers and hospital in-charges.

Table 3.1: Target Population

Sub County	Category of staff	No. of Officers
Kibra	KNH senior and middle level managers	42
	Mbagathi senior and middle level managers	31
	Health facility in-charges (KNH and Mbagathi)	2
Kamukunji	Pumwani senior and middle level managers	33
	Health facility in-charge	1
Embakasi West	Mama Lucy senior and middle level managers	29
	Health facility in-charge	1
Total		**139**

Source: Records from the Ministry of Health, 2019

3.5 Study Sample

Sampling frame is the list of subjects, elements, respondents, or firms that are chosen to make a sample (Bryman, 2016). The sampling frame for this study consisted of 139 respondents comprising of senior and middle level managers and health facility in-charges distributed across the 4 public referral hospitals located in 3 sub-counties. This

population was assumed to understand how strategic leadership practices employed by their superiors enhanced service delivery in public referral health facilities.

3.5.1 Study Sample Size

Kombo and Tromp (2006) describe sampling as guidelines and methodology through which a few components in a population are incorporated into the sample (a calculated portion of the target population). Further, a sample size is the final number of elements or subjects that the researcher selects to participate in the study. The sample size must be proportionate to the target population. That is, the larger the target population, the larger the sample size and vice versa.

A sample is a representative part from a larger whole group whose constituents are under study (Creswell & Clark, 2017). The representative sample should not be too small or too large, although larger samples have more representative score. The target population of this study was 139 and is considered not to be a large population. Accordingly, Creswell (2003) argues that when the target population is small (less than 200), 100% of the population would give a good sample for the study (a census refers). Since the target population in this study was 139, the entire population was proposed and a sample size of 139 respondents was significant.

3.5.2 Sampling Procedure

The study utilised stratified sampling technique to ensure the selected group constituted elements representative of the characteristics found in the sampling frame (Kothari, 2007). The researcher stratified the respondents into the 3 sub-counties.

Respondents from each stratum were selected through purposive sampling since they possessed the information required by the study.

3.6 Data Collection

3.6.1 Data Collection Instruments

The study collected primary data using structured (close ended) questionnaires which are presumed to be easy to administer and gather large volumes of quantitative data within a short time (Kombo & Tromp, 2006). The structured questionnaire statements were specified based on five-point Likert Scale range.

3.6.2 Pilot Testing of Research Instruments

To pre-test data collection instruments, a pilot study was done at Mathari National Teaching and Referral health facility in Nairobi City County using 10% (13 respondents) of the sample size (Kothari, 2007). Respondents in the pilot testing were not included in the final study.

3.6.3 Instrument Reliability

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials on the same subjects (Kombo & Tromp, 2006). Reliability of the research instrument was tested using Cronbach's Coefficient Alpha (a test of internal consistency). From results of the pilot testing, a Cronbach's alpha of 0.88 was obtained that confirmed the research instrument met the reliability test (Cronbach, 1951).

3.6.4 Instrument Validity

Validity of data collection instruments was done using content validity. Questions were checked for clarity of words and content meaning to eliminate ambiguity. The aim was to ensure that the statements were accurate and adequately measured key items of conceptualized study variables. In order to establish validity of findings, the researcher presented the instrument to university supervisor and obtained accurate information. In addition, a Content Validity Index was computed to ensure validity of the instruments. A content validity index of 0.818 was obtained.

3.6.5 Data Collection Procedure

First, the researcher drafted research introductory and research participation consent letters. The researcher then obtained a letter of introduction from the university to authorize the researcher to carry out the study. The research authorization letter from the university facilitated the researcher to apply for a research permit from the National Commission for Science, Technology and Innovation (NACOSTI). This authorised the researcher to carry out the research in public referral hospitals in Nairobi City County.

3.7 Data Analysis

As a first step in data processing and analysis, primary data collected was edited, cleaned, and coded. IBM SPSS version 26 was then used to analyse the data. Descriptive statistical analysis was used to summarise data using frequencies, percentages, means, and standard deviations. For variable relationships, inferential statistics were computed. Linear and multiple regression analyses were computed to find out whether there were linear and multiple relationships between the study independent and dependent variables.

The study's multiple regression model equation was:

$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

y = performance of public referral health facilities

β_0 = Constant

X_1 = strategic vision

X_2 = core value initiatives

X_3 = management innovation

X_4 = human capital development

$\{\beta_1 - \beta_4\}$ = Beta coefficients

e = the error term

3.7.1 Assumptions of Multiple Regression Model

First, the number of cases of the independent variable should not be less than 20 (Hair & Tatham, 2009). There were four independent variables in this study; therefore, the least number of cases should be $4 \times 20 = 80$. The sample size in this study was above 80, that is, 139, hence did not violate this assumption.

Subsequently, normality tests were carried out using histograms with normal curve. The results should show a bell-shaped curve indicating a normal distribution of data to meet this normality test assumption.

Moreover, test of linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variable. In other words, because regression tests linear relationship, the independent and dependent variables must have a

linear relationship (Hair *et al*., 2009). In this study all independent variables were examined to confirm if they had a significant linear relationship with the dependent variable. Scatter plots were used to confirm existence of linearity in the study. If a linear curve is obtained, the plot confirms existence of a linear relationship. On the contrary, if the plot is not linear, there is no linear relationship between the variables.

Lastly, multicollinearity was checked by computing correlations among all pairs of independent variables. The Variance Inflation Factors (VIF) were used to check multicollinearity in the study. VIF values of less than 1 and more than 5 indicate presence of multicollinearity, while values of between 1-5 show that multicollinearity is not a challenge in the study (Hair *et al*., 2009).

3.7.2 Testing of Study Hypotheses

The study tested a total of five hypotheses (H_{01}, H_{02}, H_{03}, H_{04} and H_{05}) stated in null form and tested at *$p<0.05$* using regression analysis after the summated scores of categorical data were statistically transformed into continuous data using SPSS version 26. This was to allow running linear and multiple regression analyses. Therefore, in testing hypotheses the following procedure was adopted:

(Null Hypothesis) $H_{01:}$ There is no significant influence between strategic vision and performance of public referral healthcare institutions in Nairobi City County, Kenya.

(Alternative Hypothesis) H_{A1}: There is a significant influence between strategic vision and performance of public referral healthcare institutions in Nairobi City County, Kenya.

Then the test statistic results were set at *$p< 0.05$* significance level.

So, if for instance, the results indicate *$p=0.04$,* then this is significant at *$p< 0.05$*.

Verdict: reject the null hypothesis (H_{01}) and accept the alternative hypothesis (H_{A1}) that strategic vision significantly influences performance of public referral hospitals in Nairobi City County, Kenya and vice versa.

Therefore, this hypothesis testing procedure was applied procedurally in testing all the null hypotheses of the study (H_{01}, H_{02}, H_{03}, H_{04} and H_{05}).

3.8 Legal and Ethical Considerations

As required by research ethics, the researcher obtained an official research introduction letter from Africa Nazarene University, study participation consent forms (informed consent was sought from participants who volunteered to participate in the study), and a permit was obtained from NACOSTI.

Further, the researcher assured the respondents of the confidentiality of the information given since collected data was used for academic purposes only. The researcher finally sought the respondents' permission on how to respond to the research questionnaire, whether manually by the researcher, through research assistants or online (using email or open data-kit using mobile phone devices to collect and submit data to an online server accessed by the researcher).

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the data that was collected through questionnaires from the senior, middle level managers and the health facility in-charges of public referral hospitals in Nairobi City County. The first part of this chapter is the introduction, the second part is on response rate, the third part examines characteristics of the respondents and the fourth part examines the issues as per the specific objectives. The issues include the influence of strategic vision, core value initiatives, management innovation and human capital development practices on performance of public referral hospitals in Nairobi City County. Lastly, the fifth part covers hypotheses testing.

4.2 Response Rate

The response rate was provided to show the number of questionnaires that were positively returned from the field. The study targeted to collect data from 139 senior and middle level managers and health facility in-charges of public referral hospitals in Nairobi City County. The researcher managed to collect data from 111 respondents; 28 questionnaires were not returned. The study achieved an overall response rate of 79.9% and a non-response rate of 20.1%. This response was excellent as per Creswell and Clark (2017) who recommend a response rate of 70%. This response was considered sufficient for analysis. The study response rate is as shown in Table 4.1.

Table 4.1: Response Rate

Hospital staff	Sample Size	Response	Non-response
KNH	43	34 (79.1%)	9 (20.9%)
Mbagathi District Hospital	32	24 (75.0%)	8 (25.0%)
Pumwani Maternity Hospital	34	28 (82.4%)	6 (17.6%)
Mama Lucy Kibaki Hospital	30	25 (83.3%)	5 (16.7%)
Total	**139**	**111 (79.9%)**	**28 (20.1%)**

Source: Researcher (2020)

4.3 Characteristics of the Respondents

The study sought to determine the characteristics of the respondents who took part in the study. The demographic information sought was the gender, highest level of education, and length of service in the referral health institutions. Distribution by gender was important to show how spread the respondent's groups under the study were distributed between the two gender since no gender category was given favoured consideration within the selection of the respondents. Distribution of respondents by education level was considered important because it would most likely have an impact on the performance of public referral hospitals in Nairobi City County, and the ability of the respondents to answer questions posited to them. Distribution of respondents by length of service was done to indicate how long the respondents had worked in their respective hospitals.

The respondents were required to indicate their gender. This was to enhance the researcher's understanding of the gender dynamics in the hospitals. Majority of the respondents were male at 77(69.4%) while 34(30.6%) were female. The inference here is that when it comes to the senior, middle level managers and the health facility in-charges in the public referral hospitals, the ratio of males is higher than those of females. However,

this is inconsistent with the findings by Cannavo, La Torre, Sestili, La Torre and Fioravanti (2019) who found the female workers in health facilities constitute majority (64%) of the healthcare workers while the males formed 36%.

The level of education of the respondents was sought to determine their capability to answer questions posited to them. The findings indicate that 70(63.1%) of the respondents had attained bachelor's degrees. Further, 30(27%) had master's degrees and 8(7.2%) doctorate degrees. Those with diploma level education were 3(2.7%). The findings show that the respondents had adequate education levels and, therefore, could answer the research questions. The findings are like those by Rahmati, Esmaily and Bahrami (2017) who found that healthcare workers had attained at least Diploma level of education. However, Hu and Yi (2016) found low educational levels of healthcare workers in rural areas in China, which show that this is not the general trend in the world.

The respondents' length of service was also captured in the study. Since the study aimed at evaluating the influence of strategic leadership practices on the performance of public referral hospitals in Nairobi City County, the length of service of the respondents was considered a very important phenomenon. From the findings, 73(65.8%) of the respondents had worked in their current hospitals for 5-10 years, 27(24.3%) for less than 5 years while 11(9.9%) had worked for 11-15 years. Therefore, most respondents had worked in their current facilities for more than 5 years. Similar findings have been posited by Brasaite, Kaunonen, Martinkenas and Suominen (2016) who found a mean length of service in healthcare workers to be 23 years. Similarly, Lamont *et al.* (2017) found mean length of work experience to be 21.4 years. The demographic results are presented in Table 4.2.

Table 4.2: Demographic Information of Respondents

Demographic Variable		Frequency	Percent (%)	Cumulative Percent
Gender	Male	77	69.4	69.4
	Female	34	30.6	100.0
	Total	**111**	**100.0**	
Highest Level of Education Attained	Diploma	3	2.7	2.7
	Bachelor	70	63.1	65.8
	Master	30	27.0	92.8
	Doctorate	8	7.2	100.0
	Total	**111**	**100.0**	
Length of Service	Less than 5 Years	27	24.3	24.3
	5 - 10 Years	73	65.8	90.1
	11 - 15 Years	11	9.9	100.0
	Total	**111**	**100.0**	

4.4 Presentation of Research Analysis and Findings

This study sought to examine influence of strategic leadership practices on performance of public referral hospitals in Nairobi City County. Precisely, the study sought to determine the influence of strategic vision, core value initiatives, management innovation and human capital development practices on the performance of public referral healthcare facilities. The study had five-point Likert Scale type questions. The findings of the study are presented in sections 4.4.1 to 4.4.4; each sub-section is based on the specific objectives of the study.

4.4.1 Strategic Vision and Performance of Public Referral Healthcare Institutions

Five statements were developed to measure the extent to which strategic vision influenced organisational performance of public referral facilities. Statement (1) the top management gives a clear strategic direction to boost the operations of the health facility, out of 111 respondents who participated in the study, 60(54.1%) of respondents strongly

agreed with the statement, 35(31.5%) agreed, 7(6.3%) strongly disagreed while 5(4.5%) disagreed. This finding shows that 95(85.6%) respondents agreed with the statement while 12(10.8%) disagreed with the statement. This item had a mean of 4.23 and a standard deviation of 1.134 which is more than the composite mean of 3.94 with standard deviation of 0.886, implying that the statement positively influences performance of public referral healthcare institutions. In line with these findings, Brady and Walsh (2008) also found existence of strategic direction which influenced organisational performance in professional service firms. Mubarak and Yusoff (2019) also found that strategic direction was important in streamlining overall performance of the organisation. The organisation derives exemplary benefit from strong command, unity of direction and control. Further, the findings are consistent with the Stewardship Theory by Donaldson (1990) which argues that managers are stewards whose thinking patterns should be aligned with an organisation's mission and vision and objectives of their principals.

Statement (2) the top management clearly communicates a shared vision for the health facility, out of 111 respondents who participated in the study, 47(42.3%) of respondents strongly agreed with the statement, 37(33.3%) agreed, 7(6.3%) disagreed while 6(5.4%) strongly disagreed. This finding shows that 84(75.6%) of the respondents agreed with the statement while 13(11.7%) disagreed with the statement. This item had a mean of 4.01 and a standard deviation of 1.140 which is more than the composite mean of 3.94 with standard deviation of 0.886, implying that the statement positively influences performance of public referral healthcare institutions. In agreement with the study findings, Hitt *et al.*, 2019 postulates that strategic leadership entails the ability to utilise strategic thinking in managing workers through direction and communicating a shared vision with

employees. This is with a view to achieving organisational objectives. Moreover, Orlando-Rivero (2016) also support the findings that strategic leaders are assumed to be proficient in envisioning, anticipating, and initiating changes that build a competitive advantage. These are the leaders required by organisations to influence successful strategic actions, shape their strategic mission as well as shape the formation of strategic intent.

Statement (3) the senior management team strategically supports all teams to boost performance of our health facility, out of 111 respondents who participated in the study, 61(55.0%) of respondents strongly agreed with the statement, 33(29.7%) agreed, 7(6.3%) disagreed while 3(2.7%) strongly disagreed. This finding shows that 94(84.7%) of the respondents agreed with the statement while 10(9%) disagreed with the statement. This item had a mean of 4.28 and a standard deviation of 1.020 which is more than the composite mean of 3.94 with standard deviation of 0.886, implying that the statement positively influences performance of public referral healthcare institutions. The findings of the study are in sync with those of Edwards (2014) who confirms that teamwork practices produced stellar performance, increased productivity, and organisational performance. Further, leadership infuses a sense of purpose to influence and motivate their teams to achieve organisational objectives and goals.

Statement (4) the management tactfully inspires staff towards achieving the goals of the health facility, out of 111 respondents who participated in the study, 57(51.4%) were neutral, 29(26.1%) of respondents strongly agreed with the statement, 14(12.6%) agreed, 8(7.2%) disagreed while 3(2.7%) strongly disagreed. This finding shows that 43(38.7%) of the respondents agreed with the statement while 11(9.9%) disagreed with the statement. This item had a mean of 3.52 and a standard deviation of 1.043 which is less than the

composite mean of 3.94 with standard deviation of 0.886, implying that the statement negatively influenced performance of public referral healthcare institutions. McMillan (2010) disagrees that strategic leadership ought to be innovative and a creative driver to building an innovative culture for new ideas and processes to flourish and be rewarded. Strategic leadership should inspire creativity, new processes, and ideas. Similarly, Bertocci (2009) also found different findings that leaders are those who focus on making significant or marked changes. They encourage, inspire, and motivate their followers to raise one another and create change that facilitate growth and shape the future success of the entire organisation.

Statement (5) generally, there is strong leadership vision aimed at enhancing performance of the health facility, out of 111 respondents who participated in the study, 22(19.8%) were neutral, 37(33.3%) of respondents strongly agreed with the statement, 33(29.7%) agreed, 7(6.3%) disagreed while 12(10.8%) strongly disagreed. This finding shows that 70(63%) of the respondents agreed with the statement while 19(17.1%) disagreed with the statement. This item had a mean of 3.68 and a standard deviation of 1.293 which is less than the composite mean of 3.94 with standard deviation of 0.886, implying that the statement does not influence performance of public referral healthcare institutions. Azhar, Ikram, Rashid and Saqib (2012) disagree with the findings of the study that there exists a linkage between the strategic management process and the organisation's vision. Likewise, Jonyo et al. (2018) also posit that leadership vision provides an insight on what an organisation is developing into, which is inconsistent with the study findings. Table 4.3 presents these findings.

Table 4.3: Descriptive Statistics on Strategic Vision

Statements	SD	D	N	A	SA	Mean	SD
1. The top management gives a clear strategic direction to boost the operations of the health facility	7(6.3)	5(4.5)	4(3.6)	35(31.5)	60(54.1)	4.23	1.134
2. The top management clearly communicates a shared vision for the health facility	6(5.4)	7(6.3)	14(12.6)	37(33.3)	47(42.3)	4.01	1.140
3. The senior management team strategically supports all teams to boost performance of our health facility	3(2.7)	7(6.3)	7(6.3)	33(29.7)	61(55.0)	4.28	1.020
4. The management tactfully inspires staff towards achieving the goals of the health facility	3(2.7)	8(7.2)	57(51.4)	14(12.6)	29(26.1)	3.52	1.043
5. Generally, there is strong leadership vision aimed at enhancing performance of the health facility	12(10.8)	7(6.3)	22(19.8)	33(29.7)	37(33.3)	3.68	1.293
Composite mean and Standard deviation						**3.94**	**.886**

Source: Research Data (2020)

4.4.2 Core Value Initiatives and Performance of Public Referral Healthcare Institutions

Five statements were developed to measure the extent to which core value initiatives influenced organisational performance of public referral facilities. Statement (1) the senior management team has a clear focus on the health facility's vision and mission statement, out of 111 respondents who participated in the study, 31(27.9%) of respondents strongly agreed with the statement, 54(48.6%) agreed, 9(8.1%) strongly disagreed while 6(5.4%) disagreed. This finding shows that 85(76.5%) respondents agreed with the statement while 15(13.5%) disagreed with the statement. This item had a mean of 3.83 and a standard deviation of 1.143 which is more than the composite mean of 3.75 with standard deviation of 0.834, implying that the statement positively influences performance of public referral healthcare institutions. In line with these findings, Kiplangat and Kipkemoi (2020)

found that managers' strict enforcement of mission statements and motivating company employees to align their interests to that of the company's mission, boosted the company's value and priorities which consequently enhanced company performance. Furthermore, Gulati *et al.* (2016) insist that strategic vision that is action oriented, innovative and takes into consideration the organisation's mission and values, enhances organisational performance.

Statement (2) the top management team has ensured core values of the health facility are stated clearly and responsively followed by all levels of management, out of 111 respondents who participated in the study, 63(56.8%) were neutral, 7(6.3%) of respondents strongly agreed with the statement, 32(28.8%) agreed, 3(2.7%) strongly disagreed while 6(5.4%) disagreed. This finding shows that 39(35.1%) respondents agreed with the statement while 9(8.1%) disagreed with the statement. This item had a mean of 3.31 and a standard deviation of 0.784 which is less than the composite mean of 3.75 with standard deviation of 0.834, implying that the statement negatively influences performance of public referral healthcare institutions. Matthews and Brueggemann (2015) agrees with the findings of the study that having core values is not a guarantee to success; organisation's need to identify the right measures to use to leverage core value initiatives to their advantage. Jabbouri and Zahari (2016), however, disagree with the findings of this study that core values provide the firm with the ability to perform competitive and superior activities to its competitors which consequently result into organisational performance.

Statement (3) our health facility has won trust from the facility users and the general public, out of 111 respondents who participated in the study, 40(36.0%) were neutral, 37(33.3%) of respondents strongly agreed with the statement, 15(13.5%) agreed, 10(9.0%)

strongly disagreed while 9(8.1%) disagreed. This finding shows that 52(46.8%) respondents agreed with the statement while 19(17.1%) disagreed with the statement. This item had a mean of 3.54 and a standard deviation of 1.278 which is less than the composite mean of 3.75 with standard deviation of 0.834, implying that the statement does not influence performance of public referral healthcare institutions. Disagreeing with these findings, Northouse (2013) found that leaders inspire and motivate their followers without micromanaging. This facilitated trust and trained followers to take up authority over decisions in their work assignments.

Statement (4) the management clearly communicates the institution's core values to all employees and timely rewards employees with outstanding professionalism, out of 111 respondents who participated in the study, 10(9.0%) were neutral, 61(55.0%) of respondents strongly agreed with the statement, 30(27.0%) agreed, 5(4.5%) strongly disagreed while 5(4.5%) disagreed. This finding shows that 91(82%) respondents agreed with the statement while 10(9%) disagreed with the statement. This item had a mean of 4.23 and a standard deviation of 1.087 which is more than the composite mean of 3.75 with standard deviation of 0.834, implying that the statement positively influences performance of public referral healthcare institutions. Moreover, Po-Chien & Shyh-Jer (2011) agreed that adoption of compensation packages that reward managers' efforts enhance their participation, engagement, and innovation to increase performance.

Statement (5) generally, the top management appreciates the need for employee and customer value in enhancing performance of the health institution, out of 111 respondents who participated in the study, 27(24.3%) were neutral, 25(22.5%) of respondents strongly agreed with the statement, 51(45.9%) agreed, 2(1.8%) strongly disagreed while 6(5.4%)

disagreed. This finding shows that 76(68.4%) respondents agreed with the statement while 8(7.2%) disagreed with the statement. This item had a mean of 3.82 and a standard deviation of 0.907 which is more than the composite mean of 3.75 with standard deviation of 0.834, implying that the statement positively influences performance of public referral healthcare institutions. In support of this study findings, Jones (2015) found out that employees' perception of their senior management's commitment to company values boosted their morale to also enforce company values and work collectively in improving company performance. Table 4.4 presents these findings.

Table 4.4: Descriptive Statistics on Core Value Initiatives

Statements	SD	D	N	A	SA	Mean	SD
1. The senior management team has a clear focus on the health facility's vision and mission statement	9(8.1)	6(5.4)	11(9.9)	54(48.6)	31(27.9)	3.83	1.143
2. The top management team has ensured core values of the health facility are stated clearly and responsively followed by all levels of management	3(2.7)	6(5.4)	63(56.8)	32(28.8)	7(6.3)	3.31	.784
3. Our health facility has won trust from the facility users and the general public	10(9.0)	9(8.1)	40(36.0)	15(13.5)	37(33.3)	3.54	1.278
4. The management clearly communicates the institution's core values to all employees and timely rewards employees with outstanding professionalism	5(4.5)	5(4.5)	10(9.0)	30(27.0)	61(55.0)	4.23	1.087
5. Generally, the top management appreciates the need for employee and customer value in enhancing performance of the health institution	2(1.8)	6(5.4)	27(24.3)	51(45.9)	25(22.5)	3.82	.907
Composite mean and Standard deviation						**3.75**	**.834**

Source: Research Data (2020).

4.4.3 Management Innovation and Performance of Public Referral Healthcare Institutions

Five statements were developed to measure the extent to which management innovation influenced organisational performance of public referral facilities. Statement (1) there are new functional processes to improve operational efficiency in the health facility, out of 111 respondents who participated in the study, 31(27.9%) of respondents strongly agreed with the statement, 49(44.1%) agreed, 5(4.5%) strongly disagreed while 3(2.7%) disagreed. This finding shows that 80(72%) respondents agreed with the statement while 8(7.2%) disagreed with the statement. This item had a mean of 3.88 and a standard deviation of 0.998 which is more than the composite mean of 3.85 with standard deviation of 0.926, implying that the statement positively influences performance of public referral healthcare institutions. Speculand (2011) agrees with the findings of the study when the author found that management innovation encompasses a leader's ability to roll out not only new but also functional processes and new functional structures. Therefore, a leader with an innovative orientation to support the public referral hospitals cannot be overemphasised.

Statement (2) there are new functional structures to enhance operations in the health facility, out of 111 respondents who participated in the study, 54(48.6%) of respondents strongly agreed with the statement, 7(6.3%) agreed, 13(11.7%) strongly disagreed while 1(0.9%) disagreed. This finding shows that 61(54.9%) respondents agreed with the statement while 14(12.6%) disagreed with the statement. This item had a mean of 3.79 and a standard deviation of 1.369 which is less than the composite mean of 3.85 with standard deviation of 0.926, implying that the statement negatively influences performance of public

referral healthcare institutions. This finding was inconsistent with the findings of Zhang *et al.* (2019) that leaders are supposed to serve the organisation with utmost loyalty and steer achievement of organisational goals for improved performance, which was not the case in the study.

Statement (3) there are feasible organisational restructuring measures to make any new structural set up meant to improve service provision by the health facility, out of 111 respondents who participated in the study, 56(50.5%) of respondents strongly agreed with the statement, 17(15.3%) agreed, 7(6.3%) strongly disagreed while 5(4.5%) disagreed. This finding shows that 73(65.8%) respondents agreed with the statement while 12(10.8%) disagreed with the statement. This item had a mean of 3.99 and a standard deviation of 1.225 which is more than the composite mean of 3.85 with standard deviation of 0.926, implying that the statement positively influences performance of public referral healthcare institutions. Hervas-Oliver *et al.* (2018) also found that restructuring measures were crucial in ensuring that performance of an organisation was improved. Further, structures support attainment of outstanding performance to the degree the strategic leader's role is unambiguous, unchallenged and the leader exercises complete authority over the firm.

Statement (4) there is encouragement of team members to adopt new approaches in health service planning and innovative health processes, out of 111 respondents who participated in the study, 16(14.4%) of respondents strongly agreed with the statement, 66(59.5%) agreed, 3(2.7%) strongly disagreed while 5(4.5%) disagreed. This finding shows that 82(73.9%) respondents agreed with the statement while 8(7.2%) disagreed with the statement. This item had a mean of 3.78 and a standard deviation of 0.846 which is less than the composite mean of 3.85 with standard deviation of 0.926, implying that the

statement negatively influences performance of public referral healthcare institutions. Mbaya (2017) disagreed with the findings of the study and asserts that top executives are charged with the responsibility of leading in the execution of strategic management process and drive the progress in a skilled approach. It is expected of managers to be out in the field to gather first-hand information.

Statement (5) generally, well-tailored health management information systems help improve employee and process performance in the health facility, out of 111 respondents who participated in the study, 23(20.7%) of respondents strongly agreed with the statement, 56(50.5%) agreed, 2(1.8%) strongly disagreed while 6(5.4%) disagreed. This finding shows that 79(71.2%) respondents agreed with the statement while 8(7.2%) disagreed with the statement. This item had a mean of 3.83 and a standard deviation of 0.883 which is less than the composite mean of 3.85 with standard deviation of 0.926, implying that the statement does not influence performance of public referral healthcare institutions. Wang and Chang (2015) disagree with the findings. He opines that information on employees and their abilities are the core basis of development. Further, management innovation is associated with changes in employee motivation, coordination of activities, decision making and renewal of internal structures. Information on such matters is crucial in an organisation. These findings are presented in Table 4.5.

Table 4.5: Descriptive Statistics on Management Innovation

Statements	SD	D	N	A	SA	Mean	SD
1. There are new functional processes to improve operational efficiency in the health facility	5(4.5)	3(2.7)	23(20.7)	49(44.1)	31(27.9)	3.88	.998
2. There are new functional structures to enhance operations in the health facility	13(11.7)	1(0.9)	36(32.4)	7(6.3)	54(48.6)	3.79	1.369
3. There are feasible organisation restructuring measures to make any new structural set up meant to improve service provision by the health facility	7(6.3)	5(4.5)	26(23.4)	17(15.3)	56(50.5)	3.99	1.225
4. There is encouragement of team members to adopt new approaches in health service planning and innovative health processes	3(2.7)	5(4.5)	21(18.9)	66(59.5)	16(14.4)	3.78	.846
5. Generally, well-tailored health management information systems help improve employee and process performance in the health facility	2(1.8)	6(5.4)	24(21.6)	56(50.5)	23(20.7)	3.83	.883
Composite mean and Standard deviation						**3.85**	**.926**

Source: Research Data (2020).

4.4.4 Human Capital Development and Performance of Public Referral Healthcare Institutions

Five statements were developed to measure the extent to which human capital development influenced organisational performance of public referral facilities. Statement (1) there is a well stipulated human resource development program in the health facility, out of 111 respondents who participated in the study, 40(36.0%) were neutral, 22(19.8%) of respondents strongly agreed with the statement, 42(37.8%) agreed, 5(4.5%) strongly disagreed while 2(1.8%) disagreed. This finding shows that 64(57.6%) respondents agreed with the statement while 7(6.3%) disagreed with the statement. This item had a mean of 3.67 and a standard deviation of 0.966 which is more than the composite mean of 3.47 with standard deviation of 0.818, implying that the statement positively influences performance

of public referral healthcare institutions. In agreement with these findings, Lengnick-Hall *et al.* (2013) postulate that building exceptional human resource functions with a view to fostering powerful infrastructures for learning and skill development facilitates the creation of organisational culture that promotes the development of leaders. Similarly, Bailey *et al.* (2018) also agree that organisations need to ensure that their human resources have sound understanding of the emerging issues and align performance indicators. This is with a view to establishing performance measures on human capital data relevant in aligning to and steering organisational performance.

Statement (2) most employees in the health facility are encouraged to advance their job-related skills, out of 111 respondents who participated in the study, 74(66.7%) were neutral, 7(6.3%) of respondents strongly agreed with the statement, 16(14.4%) agreed, 12(10.8%) strongly disagreed while 2(1.8%) disagreed. This finding shows that 23(20.7%) respondents agreed with the statement while 14(12.6%) disagreed with the statement. This item had a mean of 3.04 and a standard deviation of 0.924 which is less than the composite mean of 3.47 with standard deviation of 0.818, implying that the statement does not influence performance of public referral healthcare institutions. Mbaya (2017) disagrees with these findings. He argues that organisations should strive to promote managers to specific jobs once they attain abilities and competencies through continuous learning and skill development. Halidu (2015) discovered that learning and development initiatives enhance workers' technical abilities and skills to endure contemporary challenges. This disagrees with the study findings.

Statement (3) all employees who advance their job-related skills are rewarded in an employment scheme supported by the management of the health facility, out of 111

respondents who participated in the study, 24(21.6%) were neutral, 34(30.6%) of respondents strongly agreed with the statement, 45(40.5%) agreed, 2(1.8%) strongly disagreed while 6(5.4%) disagreed. This finding shows that 79(71.1%) respondents agreed with the statement while 8(7.2%) disagreed with the statement. This item had a mean of 3.93 and a standard deviation of 0.951 which is more than the composite mean of 3.47 with standard deviation of 0.818, implying that the statement positively influences performance of public referral healthcare institutions. Pooja (2013) agrees with the findings of the study when she determined that skills compensation predisposes a strong influence on motivation, job satisfaction and turnover intention. Increasingly, use of compensation packages that reward managers' efforts enhance their participation, engagement, and innovation to increase performance.

Statement (4) employee compensation, benefits and appraisals are carried out in a transparent, and unbiased manner, out of 111 respondents who participated in the study, 26(23.4%) were neutral, 30(27.0%) of respondents strongly agreed with the statement, 49(44.1%) agreed, 4(3.6%) strongly disagreed while 2(1.8%) disagreed. This finding shows that 79(71.1%) respondents agreed with the statement while 6(5.4%) disagreed with the statement. This item had a mean of 3.89 and a standard deviation of 0.947 which is more than the composite mean of 3.47 with standard deviation of 0.818, implying that the statement positively influences performance of public referral healthcare institutions. Singh *et al.* (2016), however, disagrees with these findings. He posits there was biasness towards attainment of financial goals that involved employee compensation, benefits, and appraisals.

Statement (5) generally, top leadership of the health facility ensures there is equitable human resource development in all departments, out of 111 respondents who participated in the study, 66(59.5%) were neutral, 10(9.0%) of respondents strongly agreed with the statement, 8(7.2%) agreed, 20(18.0%) strongly disagreed while 7(6.3%) disagreed. This finding shows that 18(16.2%) respondents agreed with the statement while 27(24.3%) disagreed with the statement. This item had a mean of 2.83 and a standard deviation of 1.094 which is less than the composite mean of 3.47 with standard deviation of 0.818, implying that the statement negatively influences performance of public referral healthcare institutions. Disagreeing with these findings, Nzuve and Bundi (2012) found that the top leadership of the health facility ensures there is equitable human resource development and attributes this positive outcome on performance to both return on assets and turnover growth. These findings are summarised in Table 4.6.

Table 4.6: Descriptive Statistics on Human Capital Development

Statements	SD	D	N	A	SA	Mean	SD
1. There is a well stipulated human resource development program in the health facility	5(4.5)	2(1.8)	40(36.0)	42(37.8)	22(19.8)	3.67	.966
2. Most employees in the health facility are encouraged to advance their job-related skills	12(10.8)	2(1.8)	74(66.7)	16(14.4)	7(6.3)	3.04	.924
3. All employees who advance their job-related skills are rewarded in an employment scheme supported by the management of the health facility	2(1.8)	6(5.4)	24(21.6)	45(40.5)	34(30.6)	3.93	.951
4. Employee compensation, benefits and appraisals are carried out in a transparent, and unbiased manner	4(3.6)	2(1.8)	26(23.4)	49(44.1)	30(27.0)	3.89	.947
5. Generally, top leadership of the health facility ensures there is equitable human resource development in all departments	20(18.0)	7(6.3)	66(59.5)	8(7.2)	10(9.0)	2.83	1.094
Composite mean and Standard deviation						**3.47**	**.818**

Source: Research Data (2020).

4.5 Diagnostic Testing

Regression analysis was used in the study to test the hypotheses. Before regression analysis was conducted, the assumptions of regression model were conducted to determine the suitability of the test before it was used to test the hypotheses of the study.

4.5.1 Homoscedasticity

The study findings had the homoscedasticity test evaluated for pairs of variables using the Levene Statistic. From the study findings, the probability associated with the Levene Statistic is less than the level of significance (0.05) testing at 1% tail test and 5% significance level for all variables. The results obtained indicate that the variance is homogeneous and regression analysis was applied in the study.

Table 4.7: Homoscedasticity Test Results

	Levene Statistic	df1	df2	Sig.
Strategic Vision	3.383	11	94	.001
Core Value Initiatives	3.890	11	94	.000
Management Innovation	7.174	11	94	.000
Human Capital Development	4.571	11	94	.000

Source: Research Data (2020).

4.5.2 Normality

Normality tests were done using histogram with normal curve. The results obtained show a bell-shaped curve for strategic vision variable indicating a normal data distribution as shown in Figure 4.1.
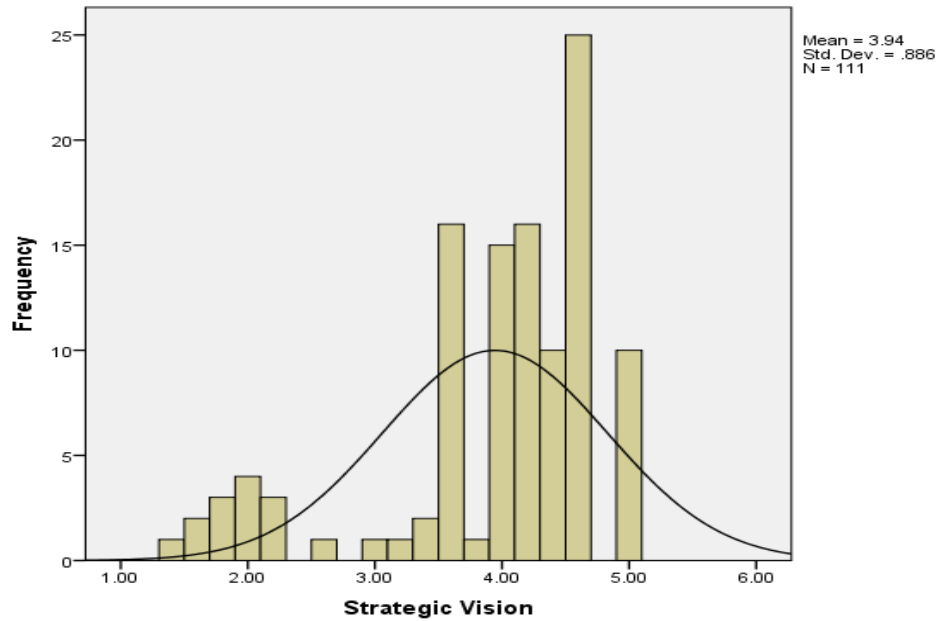
Figure 4.1: Normality Test for Strategic Vision

Source: Research Data (2020)

The results obtained further show a bell-shaped curve for core value initiatives variable indicating that data is normally distributed as shown in Figure 4.2.
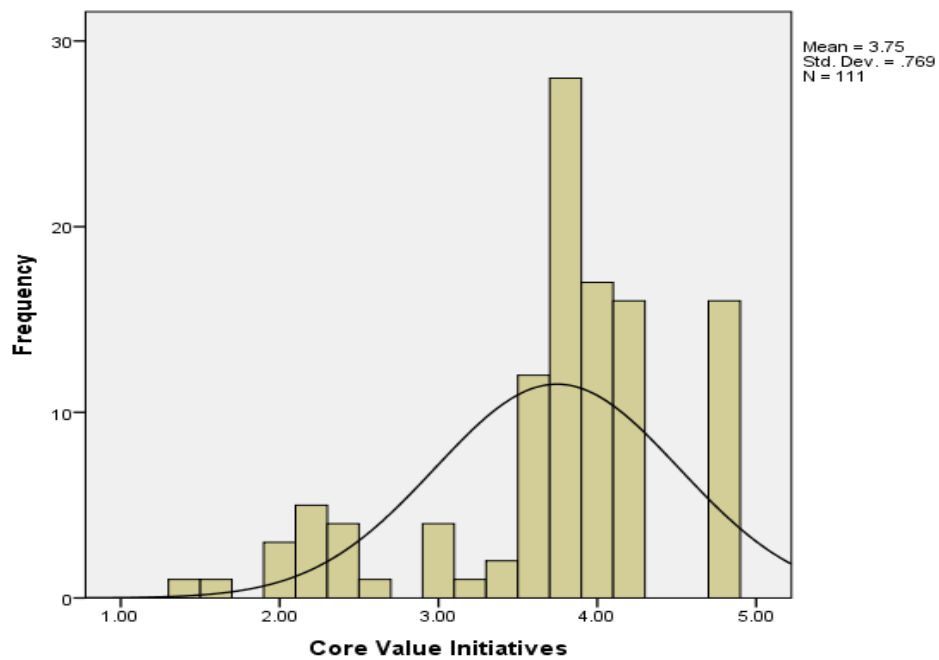
Figure 4.2: Normality Test for Core Value Initiatives

Source: Research Data (2020)

Similarly, for management innovation variable, the results obtained show a bell-shaped curve indicating that data is normally distributed as shown in Figure 4.3.
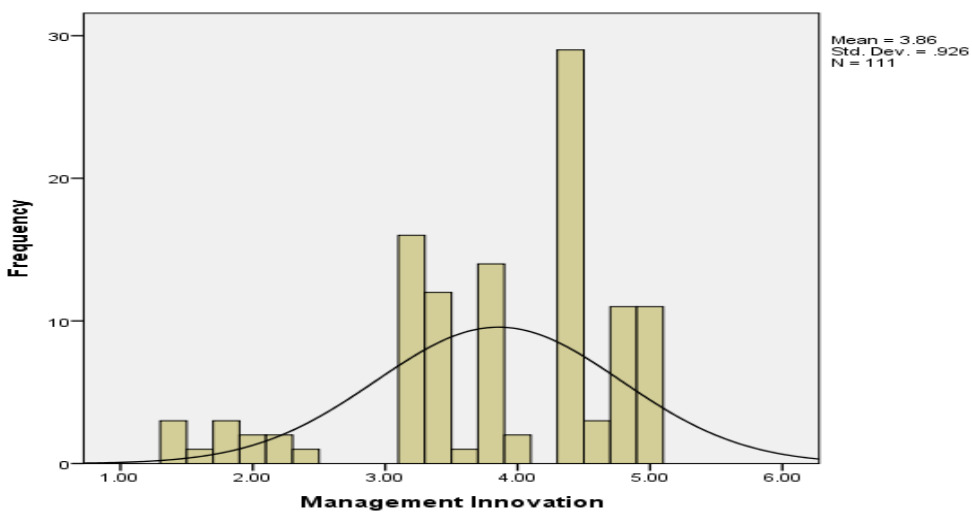
Figure 4.3: Normality Test for Management Innovation

Source: Research Data (2020)

For human capital development variable, the results showed a bell-shaped curve an indication that data is normally distributed as shown in Figure 4.4.
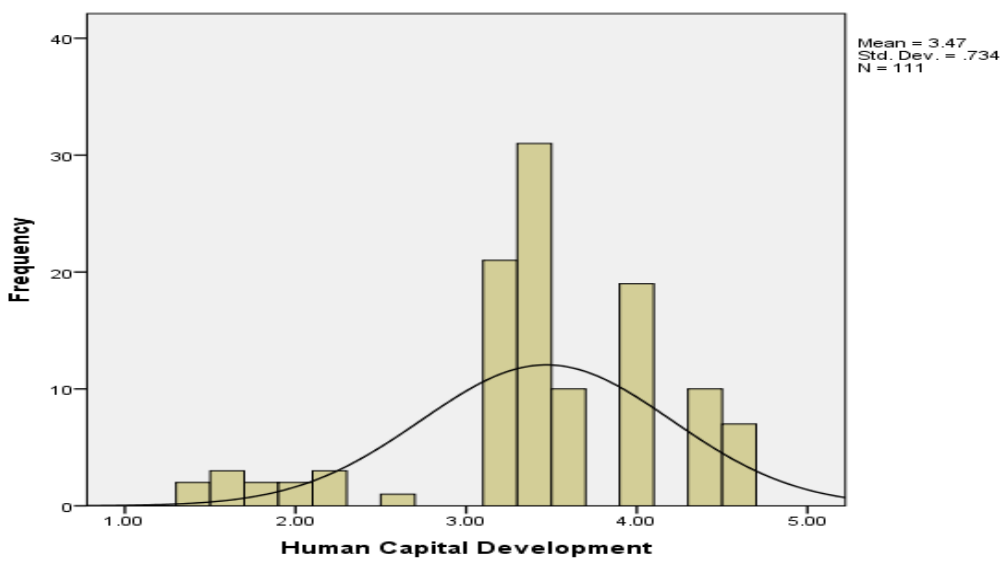
Figure 4.4: Normality Test for Human Capital Development

Source: Research Data (2020)

Lastly, the results obtained show a bell-shaped curve for organisational performance variable signifying that data is normally distributed as shown in Figure 4.5.
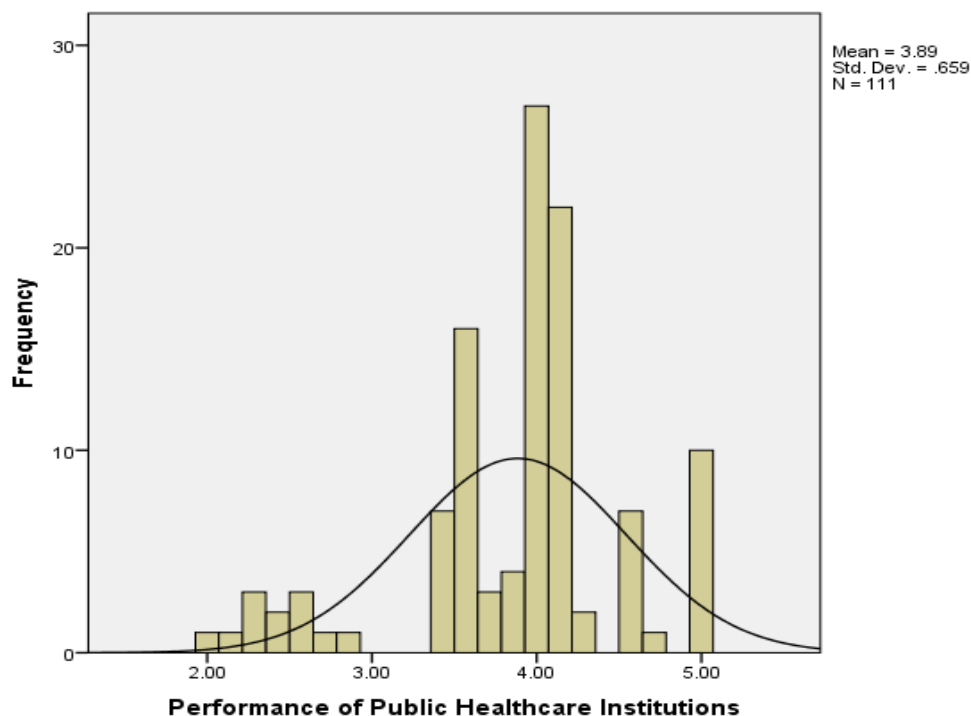
Figure 4.5: Normality Test for Performance of Public Healthcare Institutions
Source: Research Data (2020)

4.5.3 Linearity

The researcher used scatter plots to confirm existence of linearity in the study. From the findings shown in Figures 4.6 to 4.9, there is a linear relationship between strategic vision, core value initiatives, management innovation and human capital development practices and performance of public referral healthcare institutions. The assumption that the independent and dependent variables must have a linear relationship was not violated and regression analysis was computed.
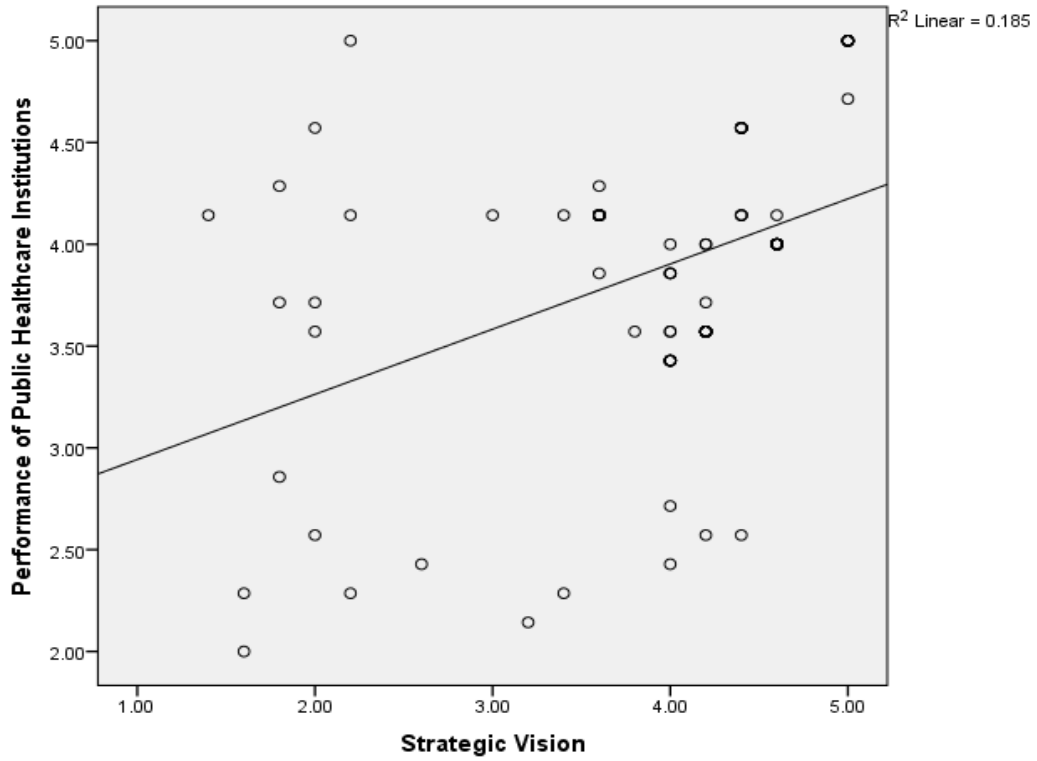
Figure 4.6: Linearity Test for Strategic Vision

Source: Research Data (2020)
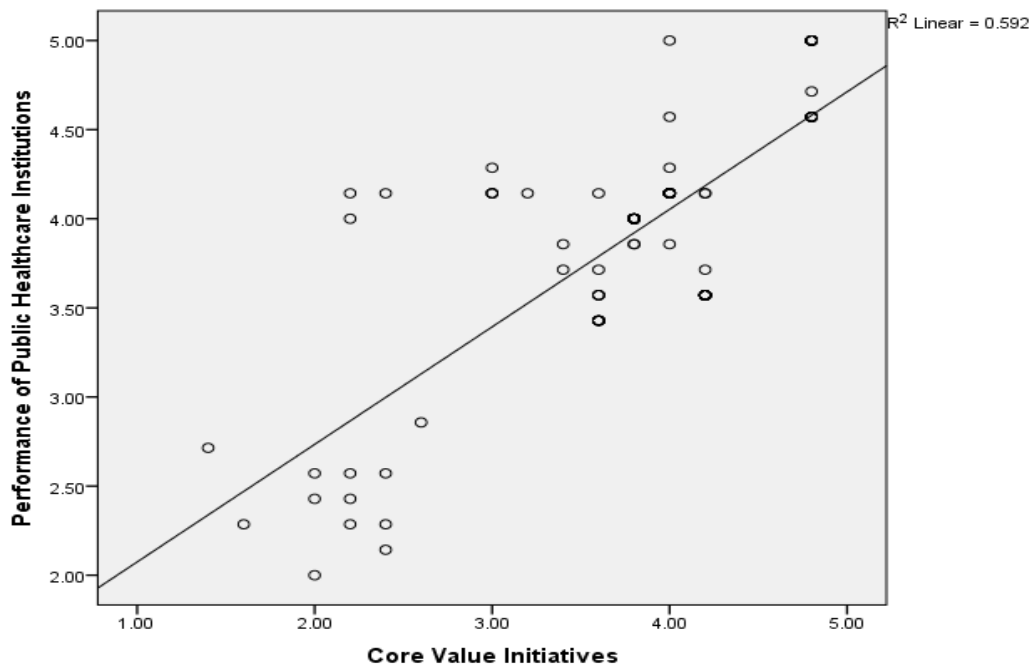
Figure 4.7: Linearity Test for Core Value Initiatives

Source: Research Data (2020)
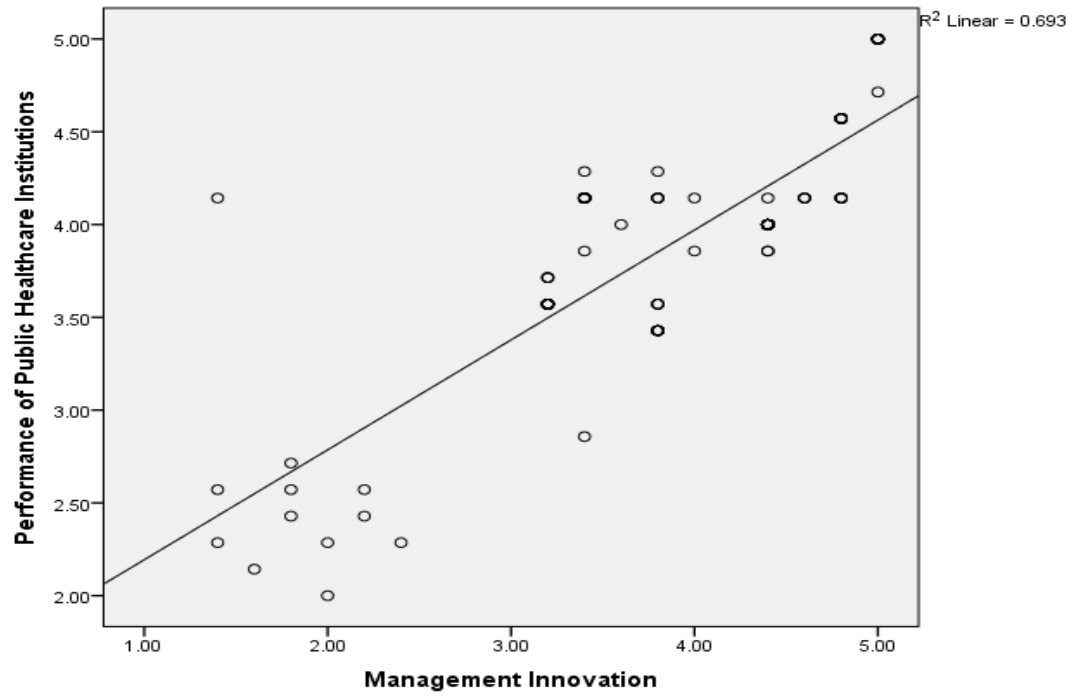
Figure 4.8: Linearity Test for Management Innovation

Source: Research Data (2020)
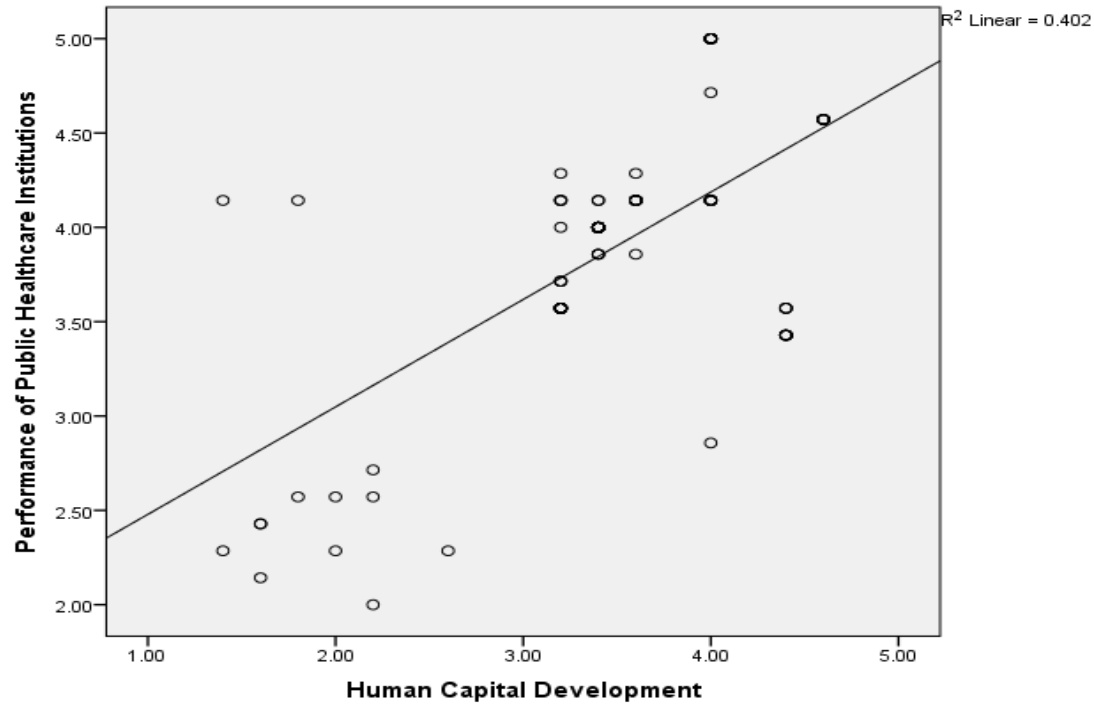
Figure 4.9: Linearity Test for Human Capital Development

Source: Research Data (2020)

4.5.4 Multicollinearity

The researcher used the VIF values to check multicollinearity. The findings show that all the VIF values were between 1 and 5, which indicate absence of multicollinearity, hence, multicollinearity was not a challenge in the study. Regression analysis was therefore conducted.

Table 4.8: Multicollinearity Tests

Model	Collinearity Statistics	
	Tolerance	VIF
Strategic Vision	.656	1.524
Core Value Initiatives	.331	3.020
Management Innovation	.311	3.217
Human Capital Development	.308	3.248

Source: Research Data (2020)

4.6 Testing of Hypotheses

4.6.1 Testing Hypothesis One

The first objective of the study sought to examine the influence of strategic vision on performance of public referral hospitals in Nairobi County, Kenya. The following null hypothesis H_{01}: There is no significant influence between strategic vision and performance of public referral hospitals in Nairobi City County, Kenya was tested.

The findings presented in Table 4.9 indicate that strategic vision explained 18.5% of the proportion in the performance of public referral hospitals as the R^2 value was obtained as 0.185. This means that other factors not studied in the present study attribute to 81.5% of the proportion in performance of public referral healthcare institutions.

The ANOVA findings indicate the reliability of the model on the relationship between the strategic vision and performance of public referral hospitals. The study found a significant value of 0.000 which is less than 0.05 at 95% confidence level with F value of 24.754. The regression model was therefore reliable in explaining the relationship between strategic vision and performance of public referral hospitals in Nairobi City County.

Table 4.9: Model Summary for Strategic Vision

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.430[a]	.185	.178	.59773	.185	24.754	1	109	.000

a. Predictors: (Constant), Strategic Vision

The study found that strategic vision significantly influenced performance of public referral hospitals, $\beta = .430$, $t = 4.975$, $p = .000$ as summarised in Table 4.10. The p value was less than 0.05 implying a significant influence between strategic vision and performance of public referral hospitals. The study therefore rejects the null hypothesis postulated in the study which stated that: H_{01}: There is no significant influence between strategic vision and performance of public referral hospitals in Nairobi City County. Therefore, the conclusion was made that: H_{A1}: There is a significant influence of strategic vision on performance of public referral hospitals in Nairobi City County, which was the alternative hypothesis hence, the research findings concluded that there was a significant influence between strategic vision and performance of public referral hospitals in Nairobi City County.

Table 4.10: Regression Coefficients for Strategic Vision

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.623	.260		10.089	.000
	Strategic Vision	.320	.064	.430	4.975	.000

a. Dependent Variable: Performance of Public Referral Healthcare Institutions

4.6.2 Testing Hypothesis Two

The second objective of the study sought to assess the influence of core value initiatives on performance of public referral hospitals in Nairobi City County, Kenya. The following null hypothesis H_{02}: There is no significant influence between core value initiatives and performance of public referral hospitals in Nairobi City County, Kenya was tested.

The findings presented in Table 4.11 indicate that core value initiatives explained 59.2% of the proportion in the performance of public referral hospitals ($R^2 = .592$). This infers that other factors not studied in the current study account for 40.8% of the proportion in performance of public referral hospitals. The study also found a significant value of 0.000 which is less than 0.05 at 95% confidence level with F value of 157.976. The regression model was therefore reliable in explaining the relationship between core value initiatives and performance of public referral hospitals.

Table 4.11: Model Summary for Core Value Initiatives

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.769[a]	.592	.588	.42308	.592	157.976	1	109	.000

a. Predictors: (Constant), Core Value Initiatives

The study found out that core value initiatives significantly influenced performance of public referral hospitals, $\beta = .769$, $t = 12.569$, $p = .000$ as summarised in Table 4.12. The p value was less than 0.05 implying a significant influence between core value initiatives and performance of public referral hospitals. The study therefore rejects the null hypothesis postulated in the study which stated that: H_{02}: There is no significant influence between core value initiatives and performance of public referral hospitals in Nairobi City County. Therefore, the conclusion was made that: H_{A2}: There is a significant influence between core value initiatives and performance of public referral hospitals in Nairobi City County, which was the alternative hypothesis hence, the research findings concluded that there was a significant influence of core value initiatives on performance of public referral hospitals in Nairobi City County.

Table 4.12: Regression Coefficients for Core Value Initiatives

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.415	.201		7.056	.000
	Core Value Initiatives	.659	.052	.769	12.569	.000

a. Dependent Variable: Performance of Public Referral Healthcare Institutions

4.6.3 Testing Hypothesis Three

The third objective of the study sought to determine the influence of management innovation on performance of public referral hospitals in Nairobi City County, Kenya. The following null hypothesis H_{03}: There is no significant influence between management innovation and performance of public referral hospitals in Nairobi City County, Kenya was tested.

The findings presented in Table 4.13 indicate that management innovation explained 69.3% of the proportion in the performance of public referral hospitals (R^2 = .693). This implies that other factors not studied in the current study account for 30.7% of the proportion in performance of public referral hospitals.

The study also found a significant value of 0.000 which is less than 0.05 at 95% confidence level with F value of 245.705. Further, the regression model was reliable in explaining the relationship between management innovation and performance of public referral hospitals.

Table 4.13: Model Summary for Management Innovation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.832ª	.693	.690	.36705	.693	245.705	1	109	.000

a. Predictors: (Constant), Management Innovation

The study found out that management innovation significantly influenced performance of public referral hospitals, β = .832, t = 15.675, p = .000 as summarised in Table 4.14. The p value was less than 0.05 signifying a significant influence between management innovation and performance of public referral hospitals. The study therefore

rejects the null hypothesis postulated in the study which stated that: H_{03}: There is no significant influence between management innovation and performance of public referral hospitals in Nairobi City County, Kenya. Therefore, the conclusion was made that: H_{A3}: There is a significant influence between management innovation and performance of public referral hospitals in Nairobi City County, Kenya, which was the alternative hypothesis hence, the research findings concluded that there was a significant influence of management innovation on performance of public referral hospitals in Nairobi City County.

Table 4.14: Regression Coefficients for Management Innovation

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.601	.150		10.688	.000
	Management Innovation	.592	.038	.832	15.675	.000

a. Dependent Variable: Performance of Public Referral Healthcare Institutions

4.6.4 Testing Hypothesis Four

The fourth objective of the study sought to establish the influence of human capital development on performance of public referral hospitals in Nairobi City County, Kenya. The following null hypothesis H_{04}: There is no significant influence between human capital development and performance of public referral hospitals in Nairobi City County, Kenya was tested.

The study findings summarized in Table 4.15 determined that human capital development explained 40.2% of the proportion in the performance of public referral hospitals ($R^2 = .402$). This implies that other factors not studied in the current study

contribute to 59.8% of the proportion in performance of public referral hospitals. The study also found a significant value of 0.000 which is less than 0.05 at 95% confidence level with F value of 73.404. Consequently, the regression model was reliable in explaining the relationship between human capital development and performance of public referral hospitals.

Table 4.15: Model Summary for Human Capital Development

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.634^a	.402	.397	.51185	.402	73.404	1	109	.000

a. Predictors: (Constant), Human Capital Development

The study findings summarised in Table 4.16 found out that human capital development significantly influenced performance of public referral hospitals, $\beta = .634$, $t = 8.568$, $p = .000$. The p value was less than 0.05 implying a significant influence between human capital development and performance of public referral hospitals. The study therefore rejects the null hypothesis postulated in the study which stated that: H_{04}: There is no significant influence between human capital development and performance of public referral hospitals in Nairobi City County. Therefore, the conclusion was made that: H_{A4}: There is a significant influence between human capital development and performance of public referral hospitals in Nairobi City County, which was the alternative hypothesis hence, the research findings concluded that there was a significant influence between human capital development and performance of public referral hospitals in Nairobi City County.

Table 4.16: Regression Coefficients for Human Capital Development

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.910	.236		8.104	.000
	Human Capital Development	.569	.066	.634	8.568	.000

a. Dependent Variable: Performance of Public Referral Healthcare Institutions

4.6.5 Testing Hypothesis Five

The fifth objective of the study sought to examine influence of strategic leadership practices on performance of public referral hospitals in Nairobi City County, Kenya. The following null hypothesis H_{05}: There is no significant influence between strategic leadership practices and performance of public referral hospitals in Nairobi City County, Kenya was tested.

The study results summarised in Table 4.17 indicate that strategic leadership practices (strategic vision, core value initiatives, management innovation and human capital development) explained 75.8% of the proportion in the performance of public referral hospitals as the R^2 value obtained was 0.758. This means that other factors not studied in the present study contribute to 24.2% of the proportion in performance of public referral hospitals.

The ANOVA findings indicate the reliability of the model on the relationship between strategic vision, core value initiatives, management innovation and human capital development and performance of public referral hospitals. The study found a significant value of 0.000 which is less than 0.05 at 95% confidence level with F value of 83.076. The regression model was therefore reliable in explaining the relationship between strategic

leadership practices (strategic vision, core value initiatives, management innovation and human capital development) and performance of public referral hospitals in Nairobi City County.

Table 4.17: Model Summary for Strategic Leadership Practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.871ª	.758	.749	.33020	.758	83.076	4	106	.000

a. Predictors: (Constant), Strategic Vision, Core Value Initiatives, Management Innovation, Human Capital Development

The study results depicted in Table 4.18 found out that strategic leadership practices (strategic vision, core value initiatives, management innovation and human capital development) significantly influenced performance of public referral hospitals. All *p* values were less than 0.05 implying a significant influence between strategic leadership practices and performance of public referral hospitals. The study therefore rejects the null hypothesis postulated in the study which stated that: H_{05}: There is no significant influence between strategic leadership practices and performance of public referral hospitals in Nairobi City County. Therefore, the conclusion was made that: H_{A5}: There is a significant influence between strategic leadership practices and performance of public referral hospitals in Nairobi City County, which was the alternative hypothesis hence, the research findings concluded that there was a significant influence of strategic leadership practices on performance of public referral hospitals in Nairobi City County.

Table 4.18: Regression Coefficients for Strategic Leadership Practices

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.380	.189		7.313	.000
	Strategic Vision	.137	.044	.150	2.843	.011
	Core Value Initiatives	.371	.071	.433	5.212	.000
	Management Innovation	.494	.061	.694	8.105	.000
	Human Capital Development	.185	.077	.207	2.400	.018

a. Dependent Variable: Performance of Public Referral Healthcare Institutions

Based on the multiple regression model; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$, the model of the study was obtained as; $Y = 1.380 + 0.137X_1 + 0.371X_2 + 0.494X_3 + 0.185X_4 + 0.189$.

The findings obtained imply that keeping all factors constant, for every unit increase in strategic vision, performance of public referral hospitals increases by 0.137. Similarly, keeping all factors constant, for every unit increase in core value initiatives, performance of public referral hospitals increases by 0.371. It is equally notable keeping all factors constant, a unit increase in management innovation leads to 0.494 increase in performance of public referral hospitals. Lastly, keeping all factors constant, for every unit increase in human capital development, performance of public referral hospitals increases by 0.185.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of the findings, summary of findings after analysis, conclusion after interpreting the results and recommendations for practical and policy implication as well as areas for further research.

5.2 Discussion

This section explains the results on the influence of strategic leadership practices on performance of public referral hospitals in Nairobi City County. The study sought to determine the influence of strategic vision, core value initiatives, management innovation and human capital development practices on performance of public referral hospitals. The presentation of this section is guided by the specific study objectives. Finally, the chapter presents discussions on how the findings relate to existing studies and findings from empirical studies.

Based on the study theories, the Upper Echelons Theory and Stewardship Theory were countered by the study findings as there was a positive correlation between strategic leadership and organisational performance of public referral hospitals in Kenya. The Transformational Leadership Theory was addressed as there was a positive and significant relationship between strategic vision, management innovation, core values and human capital development with organisational performance as discussed in the subsequent sub-sections.

5.2.1 Strategic Vision and Performance of Public Referral Healthcare Institutions

The study established that the respondents agreed that the top management gave a clear strategic direction to boost the operations of the health facilities (M = 4.23, SD = 1.134). In line with these findings, Brady and Walsh (2008) also found existence of strategic direction which influenced organisational performance in professional service firms. Mubarak and Yusoff (2019) also found that strategic direction was important in streamlining overall performance of the organisation. The organisation derives exemplary benefit from strong command, unity of direction and control. Further, the findings are consistent with the Stewardship Theory which argues that managers are stewards whose thinking patterns should be aligned with an organisation's mission and vision and objectives of their principals.

The study confirmed that the top management clearly communicated a shared vision for the health facilities (M = 4.01, SD = 1.140). In agreement with the study findings, Hitt *et al*., 2019 postulates that strategic leadership entails the ability to utilise strategic thinking in managing workers through direction and communicating a shared vision with employees. This is with a view to achieving organisational objectives. In addition, Orlando-Rivero (2016) also supports the findings that strategic leaders are assumed to be proficient in envisioning, anticipating, and initiating changes that build a competitive advantage. These are the leaders required by organisations to influence successful strategic actions, shape their strategic mission as well as shape the formation of strategic intent.

The senior management strategically supported all employees to boost performance of the health facilities (M = 4.28, SD = 1.020). The findings of the study are in sync with those of Edwards (2014) who confirms that teamwork practices produced stellar

performance, increased productivity, and organisational performance. Further, leadership infuses a sense of purpose to influence and motivate their teams to achieve organisational objectives and goals. The findings are in tune with Upper Echelons Theory which asserts that the extent to which TMT is influenced by demographic and psychographic characteristics to prefer various management practices, adopt, and endorse the relative use of such practices within the organisation impact organisational performance.

The respondents disagreed that management tactfully rallied staff towards achieving the goals of the health facilities ($M = 3.52$, $SD = 1.043$). McMillan (2010) disagrees that strategic leadership ought to be innovative and a creative driver to building an innovative culture for new ideas and processes to flourish and be rewarded. Strategic leadership should inspire creativity, new processes, and ideas. Similarly, Bertocci (2009) disagrees that leaders are those who focus on making significant or marked changes. They encourage, inspire, and motivate their followers to raise one another and create change that facilitate growth and shape the future success of the entire organisation.

There was no strong leadership vision that aimed at enhancing performance of the public referral hospitals in Nairobi City County ($M = 3.68$, $SD = 1.293$). Azhar, Ikram, Rashid and Saqib (2012) disagree with the findings of the study that there exists a linkage between the strategic management process and the organisation's vision. Jonyo *et al.* (2018) also disagree that leadership vision provides an insight on what an organisation is developing into.

The study found that strategic vision significantly influenced performance of public referral hospitals, $\beta = .430$, $t = 4.975$, $p = .000$. Lear (2012) also showed that effective strategic leadership as measured by strategic vision of the company directors significantly

influenced organisational performance of financial firms. Similar findings have also been found by Dhammika (2014). The findings were consistent with the assertions of the Upper Echelons Theory that an organisation is a direct reflection of its strategic leader.

5.2.2 Core Value Initiatives and Performance of Public Referral Healthcare Institutions

The study found that the respondents agreed that the senior management had a clear focus on the health facility's vision and mission statement ($M = 3.83$, $SD = 1.143$). In line with these findings, Kiplangat and Kipkemoi (2020) found that managers' strict enforcement of mission statements and motivating company employees to align their interests to that of the company's mission, boosted the company's value and priorities which consequently enhanced company performance. Moreover, Gulati *et al.* (2016) insist that strategic vision that is action oriented, innovative and takes into consideration the organisation's mission and values, enhances organisational performance.

The study established that the top management team had not ensured core values of the health facility are stated clearly and subsequently followed by all levels of management ($M = 3.31$, $SD = 0.784$). Matthews and Brueggemann (2015) agrees with the findings of the study that having core values is not a guarantee to success; organisation's need to identify the right measures to use to leverage core value initiatives to their advantage. Jabbouri and Zahari (2016), however, disagree with the findings of the study. He opines that core values provide the firm with the ability to perform competitive and superior activities to its competitors which consequently result into organisational performance. The findings were inconsistent with the Transformational Leadership Theory

which presents a model that cause leaders in public referral hospitals to embrace strategic leadership skills with a view to developing core values to enhance competitive advantage.

The study established that the health facilities had not won trust from the facility users and the general public ($M = 3.54$, $SD = 1.278$). Disagreeing with these findings, Northouse (2013) found that leaders inspire and motivate their followers without micromanaging. This facilitated trust and trained followers to take up authority over decisions in their work assignments. In addition, followers respond by trusting, admiring, showing allegiance and regard to their leader while at the same time are ready to carry out assignment diligently. The findings dissent the Transformational Leadership Theory assertion that a leader's capability is to develop treasured and positive change to influence performance.

The findings also indicated that the top management appreciated the need for employee and customer value in enhancing performance of the health institutions ($M = 3.82$, $SD = 1.087$). In support of the findings of this study, Jones (2015) found out that employees' perception of their senior management's commitment to company values boosted their morale to also enforce company values and work collectively in improving company performance.

The respondents also strongly agreed that management clearly communicated the institution's core values to all employees and offered timely reward to employees with outstanding professionalism ($M = 4.23$, $SD = 1.087$). Moreover, Po-Chien & Shyh-Jer (2011) agreed that adoption of compensation packages that reward managers' efforts enhance their participation, engagement, and innovation to increase performance.

The study found that core value initiatives significantly influenced performance of public referral hospitals, $\beta = .769$, $t = 12.569$, $p = .000$. Wan-Ching (2014) study on company core values of India's health institutions, found an insignificant relationship between company core values and organisational performance. This is in contradiction to the current study. Jones (2015), however, found a significant relationship between core values and performance of health care institutions which are in line with the current study findings.

5.2.3 Management Innovation and Performance of Public Referral Healthcare Institutions

The respondents agreed that there were new functional processes to improve operational efficiency in the health facilities ($M = 3.88$, $SD = 0.998$). Speculand (2011) agrees with the findings of the study when the author found that management innovation encompasses a leader's ability to roll out not only new but also functional processes and new functional structures. Therefore, a leader with an innovative orientation to support the public referral hospitals cannot be overemphasised. This study found that there were new functional structures to enhance operations in the health facilities ($M = 3.79$, $SD = 1.369$), disagreeing with Zhang *et al.* (2019). Further, the findings were consistent with the notion espoused by Stewardship Theory that leaders are supposed to serve the organisation with utmost loyalty and steer achievement of organisational goals.

The study established that there were feasible organisational restructuring measures to make any new structural set up meant to improve service provision by the health facilities ($M = 3.99$, $SD = 1.224$). Hervas-Oliver *et al.* (2018) also found that restructuring measures were crucial in ensuring that performance of an organisation was improved.

Further, structures support attainment of outstanding performance to the degree the strategic leader's role is unambiguous, unchallenged and the leader exercises complete authority over the firm. The findings were attuned to the Stewardship Theory that organisational structures offer clear, reliable performance of the anticipated role and provide authority to TMT.

The study confirmed that there was encouragement of team members to adopt new approaches in health service planning and innovative health processes (M = 3.78, SD = 0.846). Mbaya (2017) disagreed with the findings of the study that top executives are charged with the responsibility of leading in the execution of strategic management process and drive the progress in a skilled approach. It is expected of managers to be out in the field to gather first-hand information. Equally, they evaluate progress made and discover by themselves how well operations are being undertaken.

It was determined that well-tailored health management information systems help improve employee and process performance in the health facilities (M = 3.83, SD = 0.883). Wang and Chang (2015) disagree that information on employees and their abilities are the core basis of development. Further, management innovation is associated with changes in employee motivation, coordination of activities, decision making and renewal of internal structures. Information on such matters is crucial in an organisation. Management innovation competencies help organisations to accomplish high performance through integration of multiple practices in new ways. Management innovation is an important driver of organisational performance, β = .832, t = 15.675, p = .000, as also postulated by Hervas-Oliver & Rojas-Alvarado (2018).

5.2.4 Human Capital Development and Performance of Public Referral Healthcare Institutions

The study established that there was a well stipulated human resource development program in the public referral health facilities in Nairobi City County ($M = 3.67$, $SD = 0.966$). In agreement with these findings, Lengnick-Hall *et al.* (2013) postulate that building exceptional human resource functions with a view to fostering powerful infrastructures for learning and skill development facilitates the creation of organisational culture that promotes the development of leaders. Besides, Bailey *et al.* (2018) also agree that organisations need to ensure that their human resources have sound understanding of the emerging issues and align performance indicators. This is with a view to establishing performance measures on human capital data relevant in aligning to and steering organisational performance.

It was determined that most employees in the health facilities were encouraged to advance their job-related skills ($M = 3.04$, $SD = 0.924$). Mbaya (2017) disagrees with these findings and argues that organisations should strive to promote managers to specific jobs once they attain abilities and competencies through continuous learning and skill development. Halidu (2015) study on impact of learning and development practices on employees' productivity in select Nigerian universities revealed learning and development initiatives enhance workers' technical abilities and skills to endure contemporary challenges. This disagrees with the study findings. Further, the author challenges organisations to consider learning and development a valuable tool for enhancing and sustaining employees' productivity.

The study confirmed that all employees who advance their job-related skills are rewarded in an employment scheme supported by the management of the health facilities (M = 3.93, SD = 0.951). Pooja (2013) agrees with the findings of the study when the study determined that skills compensation predisposes a strong influence on motivation, job satisfaction and turnover intention. Use of compensation packages that reward managers' efforts enhance their participation, engagement, and innovation to increase performance.

The study revealed that employee compensation, benefits and appraisals were carried out in a transparent and unbiased manner (M = 3.78, SD = 0.846). Singh *et al.* (2016), however, disagrees with these findings and claims that there was biasness on attainment of financial goals, involving employee compensation, benefits, and appraisals. Nevertheless, the respondents were uncertain on whether the top leadership of the health facilities ensured there was equitable human resource development in all departments or not (M = 2.83, SD = 1.094).

The study found that human capital development significantly influenced performance of public referral hospitals, β = .634, t = 8.568, p = .000. In line with the findings of this study, Nzuve and Bundi (2012) study on the impact human capital development practices has on performance of commercial banks in Kenya attributes a positive outcome on performance to both return on assets and turnover growth. Similarly, Odhong' and Omolo (2015) also found that amalgamation of employee engagement, knowledge accessibility, workforce optimization and learning capacity improve human development practices and organisational performance.

5.3 Summary of Main Findings

The study sought to examine influence of strategic leadership practices on performance of public referral hospitals in Nairobi City County. Precisely, the study sought to determine the influence of strategic vision, core value initiatives, management innovation and human capital development practices on performance of public referral hospitals.

The findings indicated that the respondents were in general agreement that the TMT gave a clear strategic direction to boost operations. Furthermore, TMT clearly communicated a shared vision for the health facilities. In addition, the senior management strategically supported all teams to boost performance of the health facilities as well as tactfully inspired staff to achieve the goals of the health facilities. Generally, there was strong leadership vision aimed at enhancing the performance of the health facilities.

The study also confirmed the senior management had a clear focus on the health facility's vision and mission statement. The top management had ensured core values of the health facilities were stated clearly and subsequently followed by all levels of management. As a result, the health facilities won trust from the facility users and the general public. Generally, the top management appreciated the need for employee and customer value in enhancing performance of the public health referral institutions.

The respondents agreed that there were new functional processes to improve operational efficiency in the health facilities and new functional structures to enhance operations. Equally, there were feasible organisational restructuring measures to make any new structural set up meant to improve service provision by the health facilities. Moreover,

team members were encouraged to adopt new approaches in health service planning and innovative health management processes.

The respondents also agreed that there was a well stipulated human resource development program. Most employees in the health facilities were encouraged to advance their job-related skills. Further, most employees who advanced their job-related skills were rewarded in an employment scheme supported by the management of the health facilities. Employees' compensation, benefits and appraisals were carried out in a transparent and unbiased manner. The respondents were however uncertain whether the top leadership of the health facility ensures there is equitable human resource development at all management levels or not.

5.4 Conclusion

Based on the study hypotheses, the survey concludes that strategic vision, core value initiatives, management innovation and human capital development practices significantly influenced performance of public referral hospitals in Nairobi City County.

The study also concludes that although there was strategic vision, core value initiatives, management innovation and human capital development practices exhibited by their leaders, there were instances where respondents were uncertain whether the practices were yet to be implemented. This included tactfully inspiring staff to achieve the goals of the health facilities, ensuring core values of the health facilities were stated clearly and subsequently followed by all levels of management. This made them win the trust of facility users and the general public. Besides putting new functional structures in place to enhance operations, employees were encouraged to advance their job-related skills. Top management ensured there was equitable human resource development in all departments.

5.5 Recommendations

Based on the findings, discussions and conclusions made, the study makes the following recommendations. First, management of healthcare facilities should tactfully inspire their staff to achieve their goals. This can be done by providing them with a pleasant work environment, offering opportunities for self-development, fostering collaboration within teams, setting clear goals, and discouraging micromanagement of employees.

Further, the study recommends that TMT develops clear statement of core values of the respective health facilities. Most importantly, there is need for responsible following of core values by all levels of management. This will enable the junior employees to follow their leader and achieve the institutional core values. Likewise, core values should be tied to performance contracting and cascaded down the organisational structure.

Besides, the top management should adopt strategies to gain trust from the facility users and the general public. This can be done by fostering honesty and support initiatives, consistent service delivery and building accountability. There is therefore need for introduction of new functional structures to enhance efficiency of operations in the public referral healthcare facilities. To enhance efficiency and effectiveness of internal processes, TMT should leverage technology by integrating functional electronic management systems (medical records, radiology, laboratory, finance, human resource, and supply chain management) into the Health Management Information System.

Lastly, the study recommends that employees be encouraged to advance their skills. This can be done through virtual training and learning, mentoring and job rotation exercises. The top leadership of the health facilities should also ensure that there exist programs for equitable human resource development at all functional levels.

5.6 Suggestion for Further Research

While this study was only conducted in public referral healthcare facilities in Nairobi City County, its scope was limited. The study only measured the perception of managers on strategic leadership practices and organisational performance. The views of lower cadre employees were not considered. This study recommends that comparative studies be conducted on the subject matter using views of junior cadre employees. Further, studies can also be conducted in private healthcare facilities in other counties within the Republic of Kenya.

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APPENDICES

Appendix I: Letter of Introduction

Dear Respondent,

Ref: Influence of Strategic Leadership on Performance of Public Referral
Healthcare Institutions in Nairobi County, Kenya

I am a student at Africa Nazarene University pursuing studies for the award of Master of Business Administration degree, majoring in Strategic Management. In fulfilling the requirements of the program, I am conducting a study on the **"influence of strategic leadership on performance of public referral healthcare institutions in Nairobi County, Kenya".** The study will use a questionnaire as a tool for data collection.

Kindly spare a few minutes of your valuable time to answer the questionnaire (either hard copy or online). The statements contained in the questionnaire are intended to obtain your views, feelings, and opinions. Therefore, there are no wrong or correct answers to these statements.

The information you will provide in this survey will be treated with utmost confidence and used strictly for academic purposes.

Thank you for your cooperation.

Yours faithfully,

Jacqueline Dimba

Appendix II: Research Questionnaire

Section A: Background Information

1. Gender: Female [ ]   Male [ ]

2. Highest Level of Education Attained

  Doctorate [ ]   Master [ ]   Bachelor [ ]   Diploma [ ]   Certificate [ ]

3. Length of Service?

  Less than 5 Years [ ]   5 -10 Years [ ]   11 -15 Years [   ]   Above 15 Years [   ]

Section B: Strategic Leadership

1. Strategic Vision

What is your level of agreement on the following statements relating to influence of strategic vision on the organisational performance of the health facility? Please use the rating criteria below.

  1. Strongly Disagree 2. Disagree, 3. Uncertain 4. Agree, 5. Strongly Agree

Statement	1	2	3	4	5
1. The top management gives a clear strategic direction to boost the operations of the health facility					
2. The top management clearly communicates a shared vision for the health facility					
3. The senior management team strategically supports all teams to boost performance of our health facility					
4. The management tactfully inspires staff towards achieving the goals of the health facility					
5. Generally, there is strong leadership vision aimed at enhancing performance of the health facility					

2. Core Value Initiatives

What is your level of agreement on the following statements relating to influence of core value initiatives on the organisational performance of the health facility? Please use the rating criteria below.

  1. Strongly Disagree 2. Disagree, 3. Uncertain 4. Agree, 5. Strongly Agree

Statement	1	2	3	4	5
6. The senior management team has a clear focus on the health facility's vision and mission statement					
7. The top management team has ensured core values of the health facility are stated clearly and responsively followed by all level of management					
8. Our health facility has won trust from the facility users and the general public					
9. The management clearly communicates the institution's core values to all employees and timely rewards employees with outstanding professionalism					
10. Generally, the top management appreciates the need for employee and customer value in enhancing performance of the health institution					

3. Management Innovation

What is your level of agreement on the following statements relating to influence of management innovation on the organisational performance of the health facility? Please use the rating criteria below.

1. Strongly Disagree 2. Disagree, 3. Uncertain 4. Agree, 5. Strongly Agree

Statement	1	2	3	4	5
11. There are new functional processes to improve operational efficiency in the health facility					
12. There are new functional structures to enhance operations in the health facility					
13. There are feasible organisation restructuring measures to make any new structural set up meant to improve service provision by the health facility					
14. There is encouragement of team members to adopt new approaches in health service planning and innovative health processes					

15. Generally, well-tailored health management information systems help improve employee and process performance in the health facility					

4. Human Capital Development

What is your level of agreement on the following statements relating to influence of human capital development on the organisational performance of the health facility? Please use the rating criteria below.

1. Strongly Disagree 2. Disagree, 3. Uncertain 4. Agree, 5. Strongly Agree

Statement	1	2	3	4	5
16. There is a well stipulated human resource development program in the health facility					
17. Most employees in the health facility are encouraged to advance their job-related skills					
18. All employees who advance their job-related skills are rewarded in an employment scheme supported by the management of the health facility					
19. Employee compensation, benefits and appraisals are carried out in a transparent, and unbiased manner					
20. Generally, top leadership of the health facility ensures there is equitable human resource development in all departments					

Section C: Organisational Performance of Healthcare Institution

What is your level of agreement on the following statements relating to the organisational performance of this health institution? Please use the rating criteria below.

1. Strongly Disagree 2. Disagree, 3. Uncertain 4. Agree, 5. Strongly Agree

Statement	1	2	3	4	5
21. Most employees are satisfied with working in the health facility					
22. Most of our customers are satisfied with the services offered by the health facility					

23. The internal processes in the health facility have really improved in the recent times					
24. There is improved operational efficiency in all sections of the health facility					
25. Employee attitude has improved in recent years					
26. The image of the institution has been improving consistently					
27. Generally, the present leadership has boosted overall performance of the health facility					

THANK YOU!!!

Appendix III: ANU Introduction Letter

4th, August 2020

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

Our Ref: 19J03EMBA015

The Director.
National Commission for Science,
Technology and Innovation (NACOSTI),
P. O. Box 30623, 00100
Nairobi. Kenya

Dear Sir/Madam:

RE: RESEARCH AUTHORIZATION FOR: JACQUELINE DIMBA

Miss. Jacqueline is a postgraduate student of Africa Nazarene University in the Master of Business Administration (MBA) program.
In order to complete her program, Miss. Jacqueline is conducting a research entitled:
"Influence of Strategic Leadership Practices on Performance of Public Healthcare Institutions in Nairobi County, Kenya"
Any assistance offered to her will be highly appreciated.

Yours Faithfully,

for DR. Kimani Gichuhi,

MBA, Coordinator,

School of Business,

Africa Nazarene University.

Appendix IV: NACOSTI Authorization Letter

REPUBLIC OF KENYA

**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **896162**

Date of Issue: **13/August/2020**

RESEARCH LICENSE

This is to Certify that Ms.. **Jacky Dimba** of **Africa Nazarene University**, has been licensed to conduct research in Nairobi on the topic: **INFLUENCE OF STRATEGIC LEADERSHIP PRACTICES ON PERFORMANCE OF PUBLIC HEALTHCARE INSTITUTIONS IN NAIROBI COUNTY, KENYA** for the period ending : **13/August/2021.**

License No: **NACOSTI/P/20/6224**

896162

Applicant Identification Number

Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code

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Scan the QR Code using QR scanner application.

Appendix V: Study Area - Public Referral Hospitals in Nairobi City County