INFLUENCE OF TRANSPARENCY ON ORGANIZATIONAL PERFORMANCE OF NATIONAL REFERRAL HOSPITALS IN KENYA

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ABSTRACT

Performance is an essential and critical practice1 to the success of any organization. Corporate governance practices play a crucial role1 in shaping the organizational performance of institutions across various sectors. In the healthcare sector, particularly within national referral hospitals, these governance practices are even1 more critical. The efficiency and effectiveness of referral hospitals significantly impact the overall health outcomes1 of the population. However, national referral hospitals in Kenya face numerous challenges, including financial constraints, inadequate resources, staff shortages, and1 bureaucratic inefficiencies, which hinder their ability to provide optimal care and services. These factors, related to transparency continue1 to impede the1 performance and limit the output of National Referral Hospitals in Kenya. This study sought to examine the influence1 of transparency on organizational performance of National Referral Hospitals in Kenya. This study was hinged on the agency theory. The study adopted a descriptive research design and targeted the1 seven National Referral Hospital Kenya. The unit of observation was nursing officers, clinical officers, medical officers, nutrition1 officers, pharmaceutical officers, records and data officers, laboratory officers, research officers, chief executive officers, hospital administrators, heads of departments, directors and deputy directors, accounting and finance officers, biomedical engineers, procurement officers, human resource officers, public health officers, Chair of the Board, board members, and medical doctors of these facilities. A sample1 size of 316 was arrived at by calculating the target population of 1764 with a 95% confidence level and an error of 0.05 using the Kothari (2004) formula. The stratified and simple random sampling technique was adopted to select the sample1 size. To obtain primary data, the researcher made use of self-administered questionnaires, key informant interviews and observation schedule. The quantitative data was analysed using descriptive statistics such as frequencies, percentages, mean score and standard deviation while the qualitative data was analyzed using thematic content analysis. Inferential data analysis was done using regression and correlation analysis. The information was presented in form of tables. The study found that hospital policies and procedures are readily available1 to stakeholders, ensuring clarity and1 transparency in governance and decision-making processes. The research concluded that regular communication1 of changes and updates to policies fosters accountability and builds stakeholder trust. The adherence to national and international healthcare standards, verified independently, reflects the hospital's commitment to quality care. To enhance transparency, National Referral Hospitals should establish robust communication channels to ensure that changes and updated to policies and procedures are promptly communicated to stakeholders.

Key terms: Transparency, Organizational performance, Corporate1 governance, National Referral Hospitals.

INTRODUCTION

Hospitals play a crucial role in the social and economic well-being of a country, influencing productivity, educational performance, quality of life, investment, and healthcare costs. Public sector organizations, including hospitals, are subject to close public scrutiny, and there is an increasing demand for efficiency and performance-oriented public institutions. Corporate governance, defined by Tjahjadi et al. (2021), involves laws, policies, and processes that guide how organizations are managed and controlled. This governance framework, crucial for managing organizations globally, is not limited to the private sector but has become integral in the public sector as well.

Globally, there has been a growing pressure placed on physicians, hospitals, and other healthcare stakeholders to enhance the quality of care, enhance patient safety and improve expenditures concerning service delivery, which has resulted in renewed focus on governance accountability for delivery of quality care (Bleich, et al., 2009). Governance accountability mechanisms thus have been postulated and highly prioritized to aid efforts aimed at mobilizing resources for healthcare besides growing demand for ascertaining results associated with those inputs (Onokwai, 2020). This emanates from the fact that accountability concerns the handling of the association between various collaborators and stakeholders (Mansoor, 2021).

Some countries such as Switzerland, Australia, Norway, England, the Netherlands, Sweden and, Germany have documented governance and leadership mechanisms involving goal setting, performance monitoring, and accountability in a bid to shape and attain health care goals (Auraaen, Saar & Klazinga, 2020). Moreover, governance accountability mechanisms can be useful in curbing improper requests of tests and unnecessary procedures towards elevated financial benefit, under-the-table payments for care, staff absenteeism, and deviation of government resources for personal gain (Baredes, 2022). Additionally, substandard health services also occur frequently among healthcare providers. The United States is often regarded as a leader in corporate governance best practices, with a historical perspective viewing corporations as concentrations of power. Improved governance correlates positively with strengthened health service delivery, emphasizing the impact of poor governance on rules, transparency, and healthcare services (Samans & Nelson, 2022). In Europe, the distribution of shareholding is pivotal in corporate control, with concentration mitigating governance issues. Understanding corporate control involves considering the roles of various entities such as insurance companies, pension funds, institutional investors, employees, and banks.

Despite the challenges faced by third world countries in Africa, some are rising and integrating corporate governance in institutional operations. A good example of a country that has successfully adopted this strategy is Nigeria. With the assistance of the Securities and Exchange Commission (SEC), corporate governance has helped in implementing various policies with regards to governance. Such policies offer directives to all companies to exercise transparency by releasing their financial proceeds on all stock market operations thus preventing insiders' abuses (Obade, 2021). Countries like Ghana, Uganda, Zimbabwe and South Africa are currently introducing institutional links that promote good corporate governance through training, awareness and technical assistance. Besides, this business strategy is a primary principle in South Africa useful in the proper utilization and management of public hospitals. Although some countries in Africa have adopted corporate governance, given its benefits, there is a need for more countries to integrate the strategy (Puni & Anlesinya, 2020). Moreover, there is the need to improve and streamline the existing policies in corporate governance to ensure customer satisfaction, employees' satisfaction and efficiency in public hospitals.

In Ghana, the corporate governance levels in health institutions were found to be low, highlighting insufficient disclosure in annual reports (Adeabah, Gyeke-Dako, and Andoh, 2019). Several African countries, including Uganda, Zimbabwe, and South Africa, are actively introducing institutional links to promote good corporate governance in public hospitals through training, awareness, and technical assistance. South Africa, in particular, considers corporate governance a primary principle for effective public hospital management. Despite some African countries adopting corporate governance for its benefits, there is a call for more nations to integrate this strategy, with a focus on improving existing policies for enhanced customer and employee satisfaction and increased efficiency in public hospitals (Olivia et al., 2020).

The Kenyan government acknowledged the issues facing the hospitals and underlined healthcare as one of the elements of the social pillar of Kenya's Vision 2030 blueprint (Ndege et al., 2022). Healthcare has been devolved to get closer to the people in the wake of the new 2010 constitution. Both national and National Referral Hospitals shall provide the highest affordable standard of inclusive and affordable healthcare for people. Improved health care is projected to play an important role in boosting economic growth, alleviating poverty and achieving social goals (Muthuri et al., 2020).

According to Oluoch-Aridi et al. (2020) KNH, a National Referral Hospital has been associated with milestones and ills in the same breath. Stories of great medical firsts like the separation of conjoined twins are juxtaposed with allegations of negligence, insecurity, overcrowding, long treatment waiting list and broken-down equipment." according to a study by Njuguna (2021), various factors continue to compel the performance and limit the output of National Referral hospitals in Kenya. These include, poor pay, lack of job satisfaction, excessive bureaucracy, the weak functioning of the health system and a poor working environment, where supplies are low or absent and critical equipment is not maintained and consequently, many industrial actions like strikes have been witnessed in agitation for improvement.

Statement of the Problem

The nexus between corporate governance and firm performance has gained prominence globally, triggered by significant corporate failures like the Enron scandal in 2001 (Rintari, Gachunga & Senaji, 2018). Referral hospitals have faced persistent challenges in delivering quality healthcare due to deficiencies in governance frameworks. According to the

Kenyatta National Hospital strategic plan (2018-2023), the hospital confronts numerous operational challenges. While some issues such as inadequate budget allocation and staffing shortages are attributable to government policies, a significant portion of the challenges stem from governance lapses within the hospital itself.

Statistics from various reports highlight the extent of these challenges. For instance, a 2019 status report on national referral hospitals by the National Assembly indicates that a majority of service delivery challenges at Kenyatta National Hospital can be linked to governance inadequacies. Notably, the report mentions the expiration of the board chairperson's term and delays in appointing a substantive Chief Executive Officer, leaving critical leadership positions vacant which is constituted as per Section 7(3) of the State Corporations Act, Cap 246 (The Kenya National Assembly Report, 2019). This situation hampers decision-making processes and strategic initiatives essential for organizational advancement. Operational hurdles such as corruption, revenue loss from poor record-keeping, and inefficient administrative processes are also significant. These issues are further compounded by factors like nepotism, favoritism in employment, and resistance to change, all of which contribute to decreased staff satisfaction and compromised service delivery.

Research gaps are presented in studies such as Njuguna (2018) studied how performance is affected by practices of governance of corporates, with reference to non-profit religious hospitals in the heart of Kenya, while Honghui (2017) assessed how performance of Nairobi Securities Exchange listed firms is influenced the effect of governance of corporates. Gitonga (2019) explored how governance of corporates impacts business results, with reference to listed corporations in Kenya, while Buyema (2019) studied how performance is affected by participation principles with an emphasis on Kenyan state government money for positive discrimination. Lasisi (2017) established a positive but not statistically significant relationship between corporate governance mechanisms and financial performance of non - financial firms listed on the Nigerian Securities Exchange. The current study was carried out in Kenya in the National Referral Hospitals which have different operating environment as compared to non-financial firms in Nigeria. However, none of the mentioned studies has been given on the corporate governance on the performance of National Referral Hospitals in Kenya. This study therefore sought to bridge the gap by establishing the influence of transparency on organizational performance of National Referral Hospitals in Kenya.

Theoretical Review

The Agency Theory, considered significant but contentious in corporate governance, posits that in an agency/principal relationship, the principal puts themselves at risk by entrusting work to an agent, who may prioritize self-interest over the principal's interests. Jensen and Meckling (1994) highlight the need for protecting shareholders' interests by separating the roles of board chair and CEO. Good corporate governance principles, as articulated by Donaldson & Davis (1991) and Hayes & Abernathy (1980), require proper "agency relationships" at various levels, emphasizing separation between shareholders and boards of directors, boards and senior management, and senior management and subordinate levels of management. This theory plays a crucial role in determining the governance model, considering the limitations and freedoms given to management by the board in executing their duties.

The study at hand aimed to investigate the impact of shareholders' rights, disclosure and transparency, and board operations on the organizational performance of public healthcare organizations. The Agency Theory framework is applied, treating shareholders and a broader array of stakeholders as principals, while the board and CEO are considered agents. Shareholders yield decision-making authority to the board and CEO, emphasizing the importance of respecting and upholding shareholders' rights. The board is obligated to disclose relevant information and operate transparently. This study justified the use of the Agency Theory, highlighting its emphasis on board accountability, ethical behavior, and the governance process's impact on organizational performance, specifically focusing on National Referral Hospitals.

Mbithi and Wasike (2019) sought to determine effect of transparency and accountability on sustainability of the banking industry in Kenya. The study was guided by the agency theory, stewardship theory and the stakeholders' theory. The study adopted was descriptive design. The target population comprised 495 employees within the banking industry in Kenya. A representative sample of 222 respondents was selected. The study collected both primary and secondary data. Collected data was analyzed using mean, standard deviation, percentages and frequencies. To present the study findings, tables as well as figures were used. The study established that transparency, accountability, fairness and responsibility all have significant effect on sustainability of the banking industry.

Obisanya and Hassan (2022) looked how improved local government performance can be enhanced through strengthening of their autonomy and financial accountability with Lagos state as a focus. This study was basically theoretical, and it's based on institutional and stakeholder theory. The study concluded that the contribution of financial accountability will facilitate the smooth provision of public social service at the local government, control corruption and enhance both the financial and political autonomy of the local government. Gani, Al Rahbi and Ahmed (2021) purposed to define the relationship between corporate transparency and firm performance. This study also elucidates the relationship between competitive advantage and company performance. A sample size of 60 was selected from three sectors (Financial, Industrial, and Service) in the Muscat Securities Market (MSM), and the collected secondary data was examined using the Smart PLS 3.0. The findings revealed that an significant positive association between corporate transparency and firm performance. The findings confirmed that corporate transparency is positively related to performance, enhancing managerial accounting measurements. Therefore, corporate transparency is an essential tool towards maintaining a competitive advantage and enhancing company's financial performance. The findings confirmed that most companies in Oman have excellent disclosure of financial statement transparency but are less socially transparent.

RESEARCH METHODOLOGY

The study adopted a descriptive research design, chosen for its suitability in examining the interrelations between variables within the context of National Referral Hospitals in Kenya. Descriptive research is characterized by its analytical approach, which allows for a detailed exploration and description of individual subjects or variable factors (Ghauri, Grønhaug & Strange, 2020).

Operationalization refers to finding a measurable, quantifiable, and valid index for the independent and dependent variables. All the variables were operationalized as detailed in the Table 1.

Table 1: Operationalization of Variables

Variable	**Variable type**	**Operationalization**	**Hypothesized direction**	**Measurement level**	**Measurement Scale**
Performance of National Referral Hospitals	Dependent	Composite measure of clinical effectiveness, operational efficiency, financial performance, staff satisfaction, and service delivery	None	Interval	5-point Likert scale
Transparency	Independent	Perception on the influence of openness and communication channels, independent verification, public reporting & accessibility, and disclosure of information on organizational performance	Positive	Interval	5-point Likert scale

The study was done in various counties as it focused on 7 referral hospitals in Kenya, namely: Kenyatta National Hospital, Moi Teaching and Referral Hospital, Mathari National Teaching and Referral Hospital, Jaramogi Oginga Odinga Teaching and Referral Hospital, Kisii Teaching and Referral Hospital, Kenyatta University Teaching and Referral Hospital, and National Spinal Injury Referral Hospital. National Referral Hospitals in Kenya are level 6 facilities which act as the referral points for county hospitals and are the highest referral category in the public healthcare system. The hospitals are distributed between Nairobi County, Kisii County, Kisumu County and Uasin Gishu County.

The study targeted the seven National Referral Hospitals in Kenya. Thus, the unit of observation was 1764 respondents in total where each hospital on average comprised of (35) nursing officers, (15) clinical officers, (24) medical officers, (8) nutrition officers, (15) pharmaceutical officers, (10) records and data officers, (28) laboratory officers, (15) research officers, (1) chief executive officer, (1) hospital administrator, (15) Heads of Departments, (16) Directors and Deputy directors, (9) accounting and finance officers, (7) Biomedical engineers, (8) procurement officers, (5) Human Resource officers, (10) public health officers, (1) Chair of the Board, (9) board members, and (20) medical doctors of these facilities.

The sample size is a subset of the population that is taken to be representatives of the entire population. A sample size of 316 was arrived at by calculating the target population of 1764 with a 95% confidence level and an error of 0.05 using the below formula taken from Kothari (2004).

$$n = \frac{z^2 . N . \partial_p^2}{(N-1)e^2 + z^2 \partial_p^2}$$

Where; n = Size of the sample,
N = Size of the population and given as 1764,
e = Acceptable error and given as 0.05,
∂p = The standard deviation of the population and given as 0.5 where not known,
Z = Standard variance at a confidence level given as 1.96 at 95% confidence level.

This study adopted a stratified and simple random sampling technique. Stratified random sampling is unbiased sampling method of grouping heterogeneous population into homogenous subsets then selecting within the individual subset to ensure representativeness. In the determination of the sample size in this study, Sekaran and Bougie's (2011) criterion on selection of sample size was considered by taking 17.9% of the total population in each case.

Table 2: Sampling Frame

Title	**Population**	**Ratio**	**Sample**
Nursing Officers	245	0.179	44
Clinical Officers	105	0.179	19
Medical Officers	168	0.179	30
Nutrition Officers	56	0.179	10
Pharmaceutical Officers	105	0.179	19
Records and Data Officers	70	0.179	13
Laboratory Officers	196	0.179	35
Research Officers	105	0.179	19
Chief Executive Officers	7	0.179	1
Hospital Administrators	7	0.179	1
Heads of Departments	105	0.179	19
Directors and Deputy Directors	112	0.179	20
Accounting and Finance Officers	63	0.179	11
Biomedical Engineers	49	0.179	9
Procurement Officers	56	0.179	10
Human Resource Officers	35	0.179	6
Public Health Officers	70	0.179	13
Chair of the Board	7	0.179	1
Board Members	63	0.179	11
Medical Doctors	140	0.179	25
Total	**1764**		**316**

To obtain primary data, the researcher made use of self-administered questionnaires. The questionnaire was administered to 268 respondents including nursing officers, clinical officers, medical officers, nutrition officers, pharmaceutical officers, records and data officers, laboratory officers, research officers, accounting and finance officers, biomedical engineers, procurement officers, public health officers, board members, and medical doctors. The questionnaire included closed ended questions. The closed-end queries permitted the participants to reply from the stated limited options. Key informant interviews were conducted with 48 respondents consisting of chief executive officers, hospital administrators, heads of departments, directors and deputy directors, human resource officers, and Chair of the Board. The interview was necessary to provide for triangulation of information necessary to enable for deeper understanding of the subject matter.

Qualitative data was analyzed within specified themes using descriptive narratives. Data was analysed using Statistical Package for Social Sciences (SPSS Version 28.0) which is the most recent version. Descriptive statistics such as frequencies, percentages, mean score and standard deviation was estimated for all the quantitative variables and information presented inform of tables. The qualitative data was analyzed using thematic content analysis. Inferential data analysis was done using regression and correlation analysis. The following linear regression model was conducted to establish the relationship between project performance and the four independent study variables.

$$\mathbf{Y=\alpha+\beta_1X_1 + \varepsilon} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \mathbf{3.1}$$

Where; α= constant ceteris paribus

β=coefficient of independent variable (β_{1-3}=regression coefficient)

Y= performance of National Referral Hospitals in Kenya

X_1= Composite index for transparency;

ε= error term

RESEARCH FINDINGS

Transparency

The study sought to establish the influence of transparency on organizational performance of National Referral Hospitals in Kenya. The respondents were asked rate their level of agreement with statements related to how transparency influences organizational performance of National Referral Hospitals in Kenya. Table 3 illustrates the respondents' findings.

Table 3: Transparency and1 Performance1 of National Referral Hospitals1 in1 Kenya

	Mean	Std. Deviation
The hospital consistently communicates updates on its operations and policies to stakeholders, fostering transparency in decision-making processes.	3.821	1.476
Stakeholder feedback mechanisms are readily accessible and effectively utilized, facilitating transparent communication channels within the hospital.	2.985	1.459
The hospital demonstrates prompt and transparent responsiveness to public inquiries and concerns, enhancing trust and accountability.	3.918	1.412
Public disclosures and reports issued by the hospital are presented in a clear and comprehensible manner	3.128	1.425
Conflicts of interest among board members or senior management are openly disclosed and addressed, promoting integrity and accountability in governance practices.	2.888	1.384
Relevant information pertaining to the hospital's activities and performance is readily accessible to the public	3.944	1.359
Hospital policies and procedures are readily available to stakeholders, ensuring clarity and transparency in governance and decision-making processes.	4.648	0.952
Transparent communication of changes or updates to hospital policies and procedures fosters accountability and enhances stakeholder trust.	4.066	1.407
The hospital consistently provides detailed financial reports to stakeholders.	3.816	1.515
Detailed operational and management reports are regularly disseminated by the hospital, facilitating transparency in performance organizational determinants.	3.209	1.489
Patient care outcomes and audit results are transparently shared with stakeholders, fostering accountability and continuous improvement in service delivery.	3.571	1.488
External, impartial parties effectively verify the accuracy and reliability of the hospital's information.	2.990	1.429
Independent audits are conducted regularly to assess the hospital's operations, ensuring compliance with established standards and regulations.	3.005	1.372
The hospital's adherence to national and international healthcare standards is independently verified, affirming commitment to quality care and transparency.	3.959	1.417
Independent experts review the hospital's policies, procedures, and governance practices.	2.995	1.427

The results showed that the respondents strongly agreed that hospital policies and procedures are readily available to stakeholders, ensuring clarity and transparency in governance and decision-making processes as shown by a mean of 4.648. This finding is consistent with Mbithi and Wasike (2019), who emphasized that transparency significantly impacts sustainability by ensuring stakeholders are well-informed about organizational operations and policies.

Further, the respondents agreed that transparent communication of changes or updates to hospital policies and procedures fosters accountability and enhances stakeholder trust as shown by a mean of 4.066, the hospital's adherence to national and international healthcare standards is independently verified, affirming commitment to quality care and transparency as shown by a mean of 3.959, relevant information pertaining to the hospital's activities and performance is readily accessible to the public as shown by a mean of 3.944, the hospital demonstrates prompt and transparent responsiveness to public inquiries and concerns, enhancing trust and accountability as shown by a mean of 3.918, the hospital consistently communicates updates on its operations and policies to stakeholders, fostering transparency in decision-making processes as shown by a mean of 3.821, the hospital consistently provides detailed financial reports to stakeholders as shown by a mean of 3.816, and patient care outcomes and audit results are transparently shared with stakeholders, fostering accountability and continuous improvement in service delivery as shown by a mean of 3.571. This finding echoes Mbithi and Wasike (2019), who emphasized that regular communication with stakeholders enhances transparency and accountability. Furthermore, the hospital consistently provides detailed financial reports to stakeholders, and patient care outcomes and audit results are transparently shared, fostering accountability and continuous improvement in service delivery. This aligns with the findings of Gani, Al Rahbi, and Ahmed (2021), who highlighted the importance of financial transparency in enhancing firm performance.
Further, the respondents were undecided on whether detailed operational and management reports are regularly disseminated by the hospital, facilitating transparency in performance organizational determinants as shown by a mean of 3.209, public disclosures and reports issued by the hospital are presented in a clear and comprehensible manner as shown by a mean of 3.128, independent audits are conducted regularly to assess the hospital's operations, ensuring compliance with established standards and regulations as shown by a mean of 3.005, independent experts review the hospital's policies, procedures, and governance practices as shown by a mean of 2.995, external, impartial parties effectively verify the accuracy and reliability of the hospital's information as shown by a mean of 2.990, stakeholder feedback mechanisms are readily accessible and effectively utilized, facilitating transparent communication channels within the hospital as shown by a mean of 2.985, and conflicts of interest among board members or senior management are openly disclosed and addressed, promoting integrity and accountability in governance practices as shown by a mean of 2.888. This is consistent with Obisanya and Hassan (2022), who emphasized the role of independent verification in enhancing accountability and governance. The study also found that stakeholder feedback mechanisms are readily accessible and effectively utilized, facilitating transparent communication channels within the hospital. This aligns with Mbithi and Wasike (2019), who highlighted the importance of stakeholder feedback in ensuring transparency and accountability. This finding is in line with Gani, Al Rahbi, and Ahmed (2021), who found that transparency in governance practices positively impacts organizational performance.

In terms of transparency in resource allocation across the country, interviewees expressed concerns about the need for more openness and transparency.

I10 expressed,

> *"Transparency is lacking in many areas. There is a need for more openness in how resources are allocated to ensure fairness and efficiency."*

I28 stated,

> *"There have been improvements, but there is still a long way to go to achieve full transparency in resource allocation."*

This lack of transparency can lead to perceptions of inequity and inefficiency, potentially undermining stakeholder trust and affecting the overall effectiveness of hospital operations. Enhanced transparency measures could foster more equitable distribution of resources, ensuring that all hospitals receive the necessary support to provide high-quality care.

Performance of National Referral Hospitals in Kenya

The respondents were required to rate how the agreed with statements related to organizational performance of National Referral Hospitals in Kenya. Table 4 illustrates the respondent's findings.

Table 4: Performance1 of National Referral Hospitals1 in1 Kenya

	Mean	Std. Deviation
The hospital consistently achieves positive clinical outcomes, evidenced by high rates of successful treatments and patient recovery.	3.643	1.511
Medical errors and complications are rare occurrences within the hospital	3.862	1.402
Clinical guidelines and best practices are rigorously adhered to, ensuring standardized and effective patient care across all departments.	2.949	1.463
Service delivery processes are streamlined and efficient, leading to minimal delays and wait times for patients.	3.316	1.496
Hospital operations are structured and organized, contributing to smooth workflow and efficient task completion.	2.990	1.446
Patient flow within the hospital is effectively managed, ensuring timely access to care and services.	4.133	1.337
The hospital maintains a healthy financial status, characterized by strong revenue generation and sound fiscal management.	3.026	1.383
Revenue generation consistently meets or exceeds targets	3.969	1.388
Financial resources are allocated efficiently, prioritizing areas that directly impact patient care and organizational effectiveness.	3.102	1.499
Staff turnover rates are low	3.648	1.524
Staff feel valued and recognized for their contributions to patient care and organizational success	3.153	1.410
Staff members report high levels of job satisfaction	3.842	1.513
Services provided by the hospital are easily accessible to patients	3.010	1.478
The hospital consistently meets its service delivery targets	4.398	1.222
High standards of cleanliness and safety are maintained throughout the hospital	4.168	1.346

As per the results, the respondents agreed that the hospital consistently meets its service delivery targets as shown by a mean of 4.398, high standards of cleanliness and safety are maintained throughout the hospital as shown by a mean of 4.168, patient flow within the hospital is effectively managed, ensuring timely access to care and services as shown by a mean of 4.133, revenue generation consistently meets or exceeds targets as shown by a mean of 3.969, medical errors and complications are rare occurrences within the hospital as shown by a mean of 3.862, staff members report high levels of job satisfaction as shown by a mean of 3.842, staff turnover rates are low as shown by a mean of 3.648, and the hospital consistently achieves positive clinical outcomes, evidenced by high rates of successful treatments and patient recovery as shown by a mean of 3.643. Tjahjadi et al. (2021) proposed that performance is determined by the outcomes of all organizational operations and processes, emphasizing the crucial role of organizational members' behavior in achieving ultimate effectiveness (Choi et al., 2019).

Further, the respondents were undecided whether service delivery processes are streamlined and efficient, leading to minimal delays and wait times for patients as shown by a mean of 3.316, staff feel valued and recognized for their contributions to patient care and organizational success as shown by a mean of 3.153, financial resources are allocated efficiently, prioritizing areas that directly impact patient care and organizational effectiveness as shown by a mean of 3.102, the hospital maintains a healthy financial status, characterized by strong revenue generation and sound fiscal management as shown by a mean of 3.026, services provided by the hospital are easily accessible to patients as shown by a mean of 3.010, hospital operations are structured and organized, contributing to smooth workflow and efficient task completion as shown by a mean of 2.990, and clinical guidelines and best practices are rigorously adhered to, ensuring standardized and effective patient care across all departments as shown by a mean of 2.949. Financial performance is a key indicator of an organization's economic health and viability. It involves assessing financial metrics such as revenue, profitability, and cost-effectiveness.

Sound financial management is essential for the sustainability and growth of National Referral Hospitals, reflecting their ability to allocate resources effectively (Vianney, Iravo & Namusonge, 2020).

From the interviews, the interviewees were asked to indicate their satisfaction with the performance of the National Referral Hospitals. Generally, responses were mixed, with some expressing satisfaction while others highlighted areas needing improvement.

I23 mentioned,

> "*Overall, the performance is commendable, but there are definitely areas that need significant improvement, particularly in resource allocation and management*."

I7 stated,

> *"I am satisfied to some extent, but I believe there is a lot of room for improvement, especially in patient care and staff motivation."*

The results implied that while there are commendable aspects, significant areas require improvement. Issues in resource allocation and management, patient care, and staff motivation need to be addressed to enhance overall performance. This mixed satisfaction highlights the importance of continuous assessment and targeted interventions to address specific weaknesses.

On the delivery of services and resources to the National Referral Hospitals, interviewees pointed out inconsistencies and logistical challenges that affect service quality.

I5 said,

> *"The delivery of services is often inconsistent. There are instances where resources do not reach their intended destinations in a timely manner."*

I31 mentioned,

> *"There is a lot of variability in service delivery. Some hospitals perform well, while others struggle due to resource constraints and logistical issues."*

The findings imply that variability in performance across hospitals can lead to unequal patient experiences and outcomes. Addressing these inconsistencies through improved logistical support and resource management can ensure more reliable and high-quality service delivery across all hospitals.

When asked about concerns regarding the utilization of resources by the government in running development agendas in the counties, interviewees highlighted inefficiencies and the need for greater accountability. I14 indicated,

> *"Yes, there are concerns about the efficiency and effectiveness of resource utilization. Sometimes, funds are not used for their intended purposes."*

I20 commented,

> *"There needs to be more accountability in how resources are utilized to ensure that they directly benefit the healthcare system and the people."*

The results underscore the need for greater accountability and efficiency in resource management. Inefficiencies and misallocation of funds can detract from the intended benefits to the healthcare system and the people it serves. Strengthening accountability mechanisms can help ensure that resources are used effectively to support development agendas and improve healthcare delivery.

In discussing the challenges faced by National Referral Hospitals in improving performance, interviewees identified several key issues including funding, supplies, and staffing that indicate systemic issues that need to be addressed to enhance hospital functionality. I3 highlighted,

> *"Major challenges include insufficient funding, lack of adequate medical supplies, and a shortage of trained medical personnel."*

I27 pointed out,

> *"Bureaucracy and mismanagement are significant barriers to improving performance. Additionally, there are issues with infrastructure and technology."*

For addressing these challenges, interviewees suggested various strategies such as increasing funding, reducing bureaucracy, and investing in infrastructure and training. I9 suggested,

> *"Increasing funding and ensuring it is properly managed and allocated is crucial. Enhancing training programs for medical staff would also help."*

I18 recommended,

> *"Reducing bureaucratic red tape and improving management practices are essential. Investments in infrastructure and modern technology are also needed."*

When asked about concerns regarding corporate governance practices in relation to the performance of National Referral Hospitals, interviewees emphasized the need for stronger governance to enhance accountability and performance.
I6 expressed,

> *"There is a need for stronger ethical and integrity practices to enhance accountability and performance. Current practices are not stringent enough."*

I24 stated,

> *"I agree, corporate governance is critical, and there should be more emphasis on ethical practices and transparency to improve overall hospital performance."*

Strengthening ethical and integrity practices, along with greater transparency, is critical for improving the overall performance of National Referral Hospitals. Robust corporate governance practices can ensure better decision-making, accountability, and ultimately, higher standards of healthcare delivery.

From the observation schedule, the respondents provided detailed insights into various aspects of the National Referral Hospitals' performance, focusing on clinical effectiveness, operational efficiency, financial performance, staff satisfaction, and service delivery. Observation criteria for clinical effectiveness included patient outcomes, adherence to clinical guidelines and best practices, and the incidence of medical errors or complications. The respondents observed that patient outcomes were generally positive, with high recovery rates and relatively low mortality rates. However, there were noted instances of medical errors and complications, particularly in departments dealing with high-risk procedures.

Adherence to clinical guidelines varied, with some departments strictly following best practices, while others showed occasional lapses due to resource constraints or lack of training.

For operational efficiency, the criteria focused on resource management, workflow processes, and waiting times. The respondents noted that resource management was often inefficient, with frequent shortages of essential supplies and equipment. Workflow processes were observed to be inconsistent, leading to bottlenecks and delays in patient flow and task completion. Waiting times for patients varied significantly, with some departments experiencing prolonged delays due to inadequate staffing and inefficient scheduling systems.

Observation of financial performance involved budget management practices, revenue generation, and cost control measures. Respondents observed that budget management practices were generally sound, but there were concerns about the allocation of funds, with some critical areas being underfunded. Revenue generation was adequate, though there was potential for improvement through better billing practices and resource utilization. Cost control measures were in place but not consistently enforced, leading to occasional overspending and financial inefficiencies.

Staff satisfaction criteria included morale and engagement, turnover rates, and opportunities for professional development. Respondents noted that staff morale and engagement were generally low, attributed to poor working conditions, inadequate pay, and lack of recognition. Turnover rates were high, particularly among nursing and support staff, due to better opportunities elsewhere. Opportunities for professional development were limited, with few training programs and career advancement opportunities available.

In terms of service delivery, the criteria focused on the accessibility of services, compliance with quality standards, and response to emergencies. Respondents observed that while services were generally accessible, there were disparities in service quality across different departments. Compliance with quality standards was inconsistent, with some areas failing to meet required benchmarks. The hospital's response to emergencies was found to be adequate but could be improved with better preparedness and resource allocation.
Based on the observations, several recommendations were made to improve the performance of National Referral Hospitals in Kenya. To enhance clinical effectiveness, it is essential to implement rigorous training programs to ensure adherence to clinical guidelines and best practices across all departments. This will help to increase monitoring and evaluation efforts to reduce the incidence of medical errors and complications, ultimately improving patient outcomes.

Improving operational efficiency requires the development of a comprehensive resource management plan to address the frequent shortages of essential supplies and equipment. Streamlining workflow processes and improving scheduling systems can reduce bottlenecks and waiting times, thereby enhancing the overall efficiency of hospital operations.

To strengthen financial performance, a reassessment of budget allocation is necessary to ensure that critical areas receive adequate funding. Improving billing practices and enhancing revenue generation through efficient resource utilization can also contribute to better financial outcomes. Additionally, enforcing cost control measures consistently will help prevent overspending and ensure financial efficiency.

Boosting staff satisfaction involves enhancing working conditions and providing adequate compensation to improve staff morale and reduce turnover rates. Expanding opportunities for professional development through regular training programs and clear career advancement pathways will also help in retaining skilled staff and fostering a motivated workforce.

Enhancing service delivery requires ensuring equitable access to high-quality services across all departments. Implementing stringent quality control measures will ensure compliance with required standards, while improving emergency preparedness through better planning and resource allocation will enhance the hospital's response to emergencies.

Correlation Analysis

Pearson correlation coefficient was used to determine the strength and the direction of the relationship between the dependent variable and the independent variable. The analysis using Pearson's product moment correlation was based on the assumption that the data is normally distributed and also because the variables are continuous. Table 5 shows the results for the Pearson moment correlation.

Table 5: Pearson1 Moment Correlation1 Results

		Organizational performance of National Referral Hospitals	Transparency
Organizational performance of National Referral Hospitals	Pearson Correlation	1	
	Sig. (2-tailed)	.	
Transparency	Pearson Correlation	.674	1
	Sig. (2-tailed)	.041	

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

The analysis of correlation results between the organizational performance of National Referral Hospitals in Kenya and transparency shows a positive association where the correlation coefficient is .674, with p-value of .041 which was significant at $\alpha = 5\%$. This finding is in line with Gani, Al Rahbi, and Ahmed (2021), who found that transparency in governance practices positively impacts organizational performance. Nevertheless, the positive associations indicate that when the practice of the afore-mentioned factors is in place the levels of organizational performance of National Referral Hospitals in Kenya increases.

Multiple Regression

Multiple regression analysis was carried out to determine the effect of transparency on organizational performance of National Referral Hospitals in Kenya. The findings were presented in Table 6, 7 and 8.

Table6: Model Summary

Model	R	R Square	Adj. R Square	Std. Error of the Estimate
1	0.867[a]	0.751	0.750	1.229

a. Predictors: (Constant), Participation, Transparency, Accountability

The outcome of Table 6 found that the adjusted R-Square value is 0.750, which indicates that the independent variable (transparency) explain 75.0% of the variation in the dependent variable (organizational performance of National Referral Hospitals in Kenya).

Table7: Analysis1 of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	884.022	1	884.022	584.908	1.83E-60[b]
Residual	293.209	194	1.511		
Total	**1177.231**	**195**			

a. Dependent Variable: Organizational performance of National Referral Hospitals
b. Predictors: (Constant), Transparency

The results are shown in Table 7 which found that the model had predictive value and thus it was significant. This was because its p-value was less than 5%, p=1.83E-60 and F-calculated (584.908) was significantly larger than the critical F-value (3.8898). In countries such as the United States, the United Kingdom, and Germany, transparent disclosure mechanisms and robust accountability structures have been central to corporate governance discussions (Samans & Nelson, 2022).

Model coefficients provide unstandardized and standardized coefficients to explain the direction of the regression model and to establish the level of significance of the study variables. The results are captured in Table 8.

Table8: Regression[1] Coefficients[1]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	21.502	6.880		3.125	0.002
Transparency	0.689	0.314	0.674	2.194	0.030

a. Dependent Variable: Organizational performance of National Referral Hospitals

As per the SPSS generated Table above, the equation ($\mathbf{Y = \beta_0 + \beta_1 X_1 + \varepsilon}$) becomes:

$\mathbf{Y= 21.502+ 0.689X_1}$

The findings showed that if all factors are held constant at zero, organizational performance of National Referral Hospitals in Kenya will be 21.502. The findings also show that a unit increase in the scores of transparency would lead to a 0.689 increase in the scores of organizational performance of National Referral Hospitals in Kenya. This variable was significant since 0.030<0.05. The findings are consistent with Gani, Al Rahbi, and Ahmed (2021), who found that responsiveness and transparency are critical for maintaining competitive advantage and improving financial performance.

Conclusions

The study concluded that transparency has a positive and significant influence on the organizational performance of National Referral Hospitals in Kenya. The study concluded that transparency in hospital policies and procedures ensures clarity and improves governance and decision-making processes. Regular communication of changes and updates to policies fosters accountability and builds stakeholder trust. The adherence to national and international healthcare standards, verified independently, reflects the hospital's commitment to quality care. Accessibility of information regarding hospital activities and performance, along with responsive communication to public inquiries, enhances trust and accountability. The provision of detailed financial and operational reports further supports transparency, contributing to continuous improvement in service delivery.

Recommendations

To enhance transparency, National Referral Hospitals should establish robust communication channels to ensure that changes and updates to policies and procedures are promptly communicated to stakeholders. This includes ensuring that relevant information pertaining to hospital activities and performance is readily accessible to the public through various platforms. Moreover, hospitals should prioritize the provision of detailed financial reports to stakeholders, ensuring transparency in resource management. Regular dissemination of operational and management reports should also be implemented to facilitate transparency in performance determinants. Additionally, hospitals must actively engage with stakeholders, including patients, staff, and the community, to solicit feedback and address concerns transparently. This can be achieved through the utilization of suggestion boxes, surveys, and community outreach programs.

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