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# Influence of Competencies, Resources, and Competitive Orientation on the Performance of Faith-Based Hospitals in Kenya

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**Abstract:** Faith-based Hospitals (FBHS) are key providers of health care services in the third world countries. Despite their importance, they are facing serious operational challenges due to lack of financial and technical assistance from partners, donors, and the African governments. This research examined the effect of level of competences, resources, and the moderating influence of competitive orientation on the relationship between the operating environment and the performance of faith-based hospitals in Kenya. The study adopted a correlation research design. The study focused on five employees in all the mission hospitals making a total of 425 respondents. The employees involved in the study were chief executive officers, administrators, finance managers, human resource managers, chief medical officers, and nursing managers. A sample of 40 hospitals was selected and questionnaires were used to collect the data. SPSS version 23 was used to analyse data. The study established that competencies have a weak positive correlation with performance (r=.064), resources have a positive (weak) with performance (r=.078), and competitive orientation has a weak positive relationship with performance (r=.010). The R-square (R=.947) showed that 94.7% of variation in performance of FBH in Kenya can be explained by competences, resources, and competitive orientation.

**Keywords:** Faith-based Hospitals, competencies, competitive orientation, resources.

#### 1. Introduction

Faith-based Hospitals (FBHS) provide 30-70% of health care in the third world countries (WHO, 2017). Research has shown that most rural facilities in many African countries lack qualified personnel and are managed by nurses and midwives as health care providers (WHO, 2017). According to Chen et al. (2017), FBHs are facing serious operational challenges due to lack of financial and technical assistance from partners, donors, and the African governments. Therefore, the FBHs should consider facing the tough competition in the health care industry by adapting the operating environment to enhance their performance.

In Kenya, According to Kinyanjui et al. (2015), the desired goal for Kenya's Vision 2030 is to come up with a well organised and dependable healthcare that will eliminate child mortality rates, improve maternal health and bring down malaria, HIV/AIDS and other diseases. According to Kinyanjui et al (2015) Kenya's medical and health departments are not well managed thus being one of the most incompetent health sectors globally. This has been proved through the existence of most common diseases with no intervention and common healthcare challenges, such as high children death rate, pre-mature deaths, lack of enough health facilities, mismanagement of resources and donations, and use of short cuts even to most sensitive areas. In Kenya, church owned hospitals are of great importance in the healthcare sector. Unfortunately, the FBHs depends on donor funding and aids since the little amount of money they earn from the user fee that they charge the poor clients with no government consideration in its budget cannot maintain their operations.

Donor fatigue in funding, lack of government assistance, incompetence employees, poor citizens, lack of cheap insurances affordable to the citizens, leads to lack of competitive salaries to attract well trained healthcare workers, which lowers the quality of the services offered by the FBHs

(Kinyanjuietal,2015). FBHs are grouped together with private hospitals and are not funded by the government. As a result, these hospitals are not able to compete with high- end private hospitals, national government hospitals and county referral hospitals and this has made them stagnant for it very costly to maintain them affecting their survival unless they adapt to the operating environment to enhance their performance.

The Christian Health Association of Kenya, (CHAK) manages 24 hospitals, the Kenya Conference of Catholic Bishops (KCCB) runs 54 hospitals, while the Supreme Council of Kenya Muslims, (SUPKEM) oversees7 hospitals CHAK TIMES 2018. Majority of these organizations were established during the colonial times by missionaries who aimed at helping the local communities to access healthcare services. These institutions are among the oldest health care facilities, but they have remained dormant for a long period of time. According to an analysis that was done by CHAK 2018 the Data shows that other private owned institutions and government have been growing more rapidly. Therefore, there is need to evaluate of the operating environment on the performance of faith-based hospitals in Kenya.

Kiplangat(2018) conducted a study to establish the influence of human resource practices on performance of faith-based health facilities in Kajiado County. The study also found out that investing in training gives desired outcomes in the long run. The research realized that appointments and selecting of staff, educating new employees, compensation and occupational growth has a positive impact on the performance of faith-based health organizations in Kajiado County. It was therefore important to note that staff training was critical in the performance of faith-based hospitals, which needed a lot of attention for it to be effective.

Njuguna & Mwaura (2018) conducted a study on the role of corporate governance practices on financial performance of not-for-profit faith-based Hospitals in Central Kenya. The study aimed at evaluating whether there was a connection between governance practices of liability, stakeholder engagement, setting shared strategic direction, stewardship, board empowerment and monetary performance of not-for-profit faith-based health facilities in central Kenya, (Njuguna & Mwaura 2018). The study revealed that the corporate governance has positive influence on the financial performance of FBHs in Central Kenya. However, the study recommended that the organisations include all shareholders in the decision-making process to make sure that all the concerns and interests were taken care of to enhance the performance of the faith-based hospital in Central Kenya

Nyongesa, Rosebela, & Ombaka, (2018) Carried out a study on client Perception on Quality of Health Care Offered to In-Patients in Public and Faith Based Hospitals in Kiambu and Nairobi Counties in Kenya. A total sample of 384 patients was used where 238 were from public hospitals and146 from church- based healthcare facilities. The Faith-based hospitals overall mean was (4.23 on a scale of 1 to 5 & SD 0.347) indicating optimistic views and public hospitals mean was 2.62 (on a scale of 1 to 5 & SD 0.760) signifying negative views among all five (Empathy, Reliability, Tangibility, Assurance, Responsiveness,) magnitudes. However, the quality of services offered in public hospitals gained negative perception while the quality of services offered by faith-based hospitals attracted positive views. This had a positive impact on the performance on quality and service on FBHs According to (Nyongesa, Rosebela, &Ombaka, 2018). Health services offered in public health facilities need to be re-structured and new strategies established to enable empowerment of patient centeredness in order to achieve continuous quality health care and to improve processes.

Ochodo et al., (2020) carried out a study to examine The Relationship Between Cost Leadership Strategy and The Performance of NHIF Accredited Hospitals in Kenya. This study's role was to determine whether NHIF enabled every Kenyan to access excellence and reasonable services. The study also aimed at establishing if NHIF accredited hospitals were fulfilling their role of imposing documentation of competitive approaches engaged by health care centers to remain viable. The data was collected using a descriptive research design. The study's findings revealed an optimistic and substantial connection between the focus research and the achievements of faith-based hospitals in Kenya, with the implication that a growing focus strategy led to increasing hospital performance levels (Ochodo et al., 2020). The study recommended that hospitals that accept the NHIF scheme had to adopt a focused approach which had a substantial impact on the affordability of health care facilities. The focus strategy would be able to offer services to clients with different preferences and

needs, including those who were seeking low-cost services. The study also recommended that the NHIF encourage its accredited hospitals to assume the target policy to ensure that the NHIF scheme fulfills its role of providing that every Kenyan access reasonable and quality health care services. Since the research also assumed a positive relation between the NHIF scheme and the operating environment in faith-based hospitals, research is recommended to establish how initiating NHIF services will affect the performance and leadership in such hospitals.

Boulenger and Criel (2012) carried out a study to find out the problematic relationship between faithbased health care organizations and the public sector in sub-Saharan Africa. This study focused on finding whether faith-based hospitals signed contracts with the public sector management. The methodology for this study was positioned around a set of excellent case study assessments. This study obtained data through exhaustive fieldwork and documented analysis for each case. However, the study took place in four countries: Uganda, Cameroon, Tanzania and Chad. According to the studies, catholic and protestant churches own most of the country's public sector highly contributed to the high performance of faith-based hospitals in Kenya. health facilities concerning other faith-based health sectors. The study also discovered that financial and human resources shortages led the faithbased health sector to seek formalized partnerships with the public sector. It was concluded that the government was the primary health service provided in all the four countries where the studies were based. Generally, the government-owned nearly 64% of all the health services, hence it possessed more power over faith-based health institutions (Boulenger & Criel, 2012). However, the study suggested that establishing a public institution would reinforce the partnership amongst community and the church-based health organizations. Also, partnering with local academic foundations could open fascinating research possibilities. Also, it was established that most faith-based hospitals were not providing the quality health services expected by their patients. Since partnership is considered one of the essential factors within the operating environment, there is need to determine whether accepting partnerships with the public sectors will improve the operating environment of faith-based hospitals.

Ndoriah (2018) studied the relationship between innovation and Performance at Level six Hospitals in Kenya. The study's objective was to investigate on how operations innovation affects the performance of level six community hospitals in Kenya. The study followed the Theory of Diffusion of Innovation to produce the results. The data was collected using an expressive cross-section research design. The study results showed that level six hospitals adopted ICT as their technology innovation policy. The study's findings also indicated that the ICT innovation policy was a strategy that granted the hospitals good service delivery (Ndoriah, 2018). The study further concluded that information and communication technology was the most used innovation skill among level six hospitals in Kenya. Also, it concluded that the initiation of new services was similarly used among the hospitals. In conclusion, the study recommended that unceasing technological changes be adopted all the time. It was also suggested that the ministry of health in Kenya had to generate an empowering environment that would contribute to innovation among level six hospitals for full awareness of the benefits of the innovative approaches. Since innovation is just one of the components of the operating environment of an organization, there is a need to study how the whole operating environment contributes to the performance of faith-based hospitals.

The objectives of this research were;

- i. To assess the effect of level of competences of human capital on the performance of faith-based hospitals in Kenya.
- ii. To examine the influence of resources availability on the performance of faith-based hospitals in Kenya.
- iii. To determine the moderating influence of competitive orientation on the performance of faith-based hospitals in Kenya.

This study provided insight to FBHs hospitals owners and policy makers on factors that govern the hospitals productivity and the benefits of utilizing their resources to remain competitive in the market. The policy makers can use this information to develop useful policies and flexible regulations to support FBHs.

The study is an eye opener to all the Church leaders and donors who are intending to start new investments in healthcare on the intensity of environmental factors and competition in medical field that affect the performance of FBOs. Although some studies carried out on low-cost competitions, none has been on in-depth on how FBHs encounter and respond to market competition.

The research contributes to the already existing body of knowledge on the environmental factors that affect the performance of FBHs. The scholars, researchers and academicians can use the results of this study to build on the theoretical aspect and as a point of reference. This the study is important for the growth and sustainability of the social and economic systems of our nation since it depends largely on the physical health of the population. The economy of Kenya, growth of industry, country's food security, national health, environment, vision 2030 and the country as whole depends entirely on citizen's good health in all sectors.

## 2. LITERATURE REVIEW

#### 2.1. Upper Echelons Theory

Upper Echelons Theory was developed on the assumption that firm's end results are directly influenced by the understanding, occurrences, and competences of those inhibiting the influential supervisory positions in the firms (Hambrick & Mason, 1984). According to Hambrick & Mason, (1984), managers deal with all situations that affect the firms while their unique way of managing those firms help them to make organization policies that demonstrate the effect of the upper echelons theory on the overall performance of the organization. Attention should be focused on readily observable records that show personal qualities in relations to academics, competences, and community background of the eminent supervisors coming from firm's situations (Hambrick & Mason, 1984). Consequently, during the data interpretation, upper echelons theory (UET) found that firms results can be forecasted to a certain level depending on the supervisors' qualities attributed to reality that the rational, worth, and discernment of top management team (TMT) are hard to compute.

Upper echelons theory concentrated on examining population density to recommend that the supervisors' qualities are suitable representative for the fundamental distinctions in rationality, worth and discernment. Consequently, precious items like the age, the number of years worked, and academic background can be used to estimate the requirements of the top management team employee when the need to solve policy issues arise in firm. Managers with significant professional experience within an organization or industrial context come to act in accordance with their previous experiences rather than individual qualities. Policies and regulations put in place in a firm are the stepping stones for any decision-making process and they produce better results more than the use of individual knowledge, experience, or competences. Additionally, Hambrick & Mason, (1984) further reinstated that a survey of the firm's performance is important to successfully apply the upper echelon.

## 2.2. Resource-Based Theory

The resource-based theory talks about the effects of policies the wealth in an institution. This study looks into the correlation between its assets and the production. Institution accomplishes outwitting over their contestants from worth establishment performance of the various institutional policies through successful use of its primary wealth. It is also held up by oral history precision of policy which suggest that institutions should choose policies that utilizes their potentiality and basic wealth successfully to attain exceedingly ordinary rates of returns. This study of aggressive investigation declares that minor institutions production could result from inability to select amid one of the common policies among aggressive policies in space. Additionally, recent research on the evolution of the resource-based theory competences are crucial benefactors to the performance of the institution policies (Tippins & Sohi, 2003). The study declares that when the institution executes suitable policies, specialises their potentiality and internal wealth. They generate worth and enhance their income too. The strategic management theory, which assist the resource-based theory target on intellectual's capital which is intangible resource and how it is utilized within an institution (Hill et.al.2014). Nevertheless, this application suggests that all institutional wealth leads to competitive advantage, but the primary wealth only. The continuing aggressiveness of a firm is based on how well it utilizes wealth. Wealth is an asset, supply of materials, human resource, funds, or any other resource that a firm may need to wok successfully. Most institutions categorize its wealth into either internally

or externally (Ahamed et, al, 2014). Consequently, the resource- based theory recognizes that an institution resilience and productivity rely on the extraordinary uniqueness, and uncommonness of its resources.

### 3. METHODOLOGY

The study was conducted among employees in all the mission hospitals under the Muslim, Catholics, and Protestants associations between March and May, 2022. A total 425 adult subjects (both male and females) of aged  $\geq 18$ , years were for in this study.

Study Design: Correlation research design

Study Location: The study was conducted across 85 Faith Based Hospitals in Kenya.

Study Duration: March 2022 to May, 2022.

**Sample size:** 200 respondents.

## **Sample size calculation:**

Umbrella	No. of Hospitals	n=N/1+N(e2). sample	Total Respondents from each umbrella
Kenya Conference of Catholic Bishops (KCCB)	54	24	120
Christian Health Association of Kenya (CHAK)	24	10	50
The Supreme Council of Kenya Muslims (SUPKEM)	7	6	30
Total	85	40	200

**Subjects & Selection Method:** Purposive method to the selection of the respondents was favourable where top managers were picked from the relevant sections only these were HR Manager for competencies, Chief Medical Officer for clinical area, Nurse Services Manager for the nursing and patient care, CEOs and Administrators for the leadership, Finance Managers for the resources were used in the study to eliminate personal bias

## **Inclusion Criteria:**

- 1. Employees in FBHs
- 2. Either sex
- 3. Aged  $\geq$  18 years,

## 3.1. Procedure Methodology

In order to identify the operating environment and competitive orientation on the performance of faith-based hospitals in Kenya, the study collected primary data through questionnaires that consisted of both open and closed ended questions. The rationale of using primary data is that, despite the fact that it may be expensive, it gives accurate results (Harrell & Bradley, 2009). Further, primary data is more reliable when compared to secondary data. Opinion data was collected using a Likert rating scale because it is the most regularly used variation of the summated rating scale. Respondents rated their answers and statements in relation to the variables studied where each response in the questionnaire was assigned an arithmetical mark to reflect its degree of attitudinal favourableness.

The rationale for using questionnaire is that it is an efficient method of data collection since its time saving, large volume of data can be obtained within a short duration, and it also helps in eliminating personal bias during data collection (Delport & Roestenburg, 2011). Secondary data was obtained from hospitals' websites, while articles, online books, and journals were used for the purposes of literature review. The rationale of using secondary sources of data was that they were cheap and free, easy to access, it allows the researcher to generate new insights from previous analysis and less time-consuming methods of collecting data (Mwathi, 2013). The respondents cut across all the faith-based hospitals in Kenya ranging from KCCB, CHAK and SUPKEM Hospitals in Kenya that operates as Faith Based to enable the researcher collect unbiased views from all participants.

## 3.2. Statistical Analysis

Descriptive statistics were used to summarize the data collected through questionnaires and comment based on measures of the central tendency, dispersion, mean, percentages, and skewness. Inferential statistics were used in hypothesis testing and estimations of parameters to make inferences of the entire population.

SPSS version 23 was used to analyse data collected, and the study combined both qualitative and quantitative data. The qualitative data was obtained through the questionnaires and was transformed into quantitative data through coding. Data analysis combined both descriptive and inferential statistics.

A regression model of operating environment parameters was run against the performance of faith-based hospitals in Kenya. However, before running the regression model diagnostic tests were carried out to ascertain the accuracy and effectiveness of using the data to run the model for analysis.

#### 4. RESULTS AND DISCUSSIONS

# 4.1. Descriptive Statistics

## 4.1.1. Gender of the Respondents

Gender of the respondent							
		Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	male	93	51.7	51.7	51.7		
	female	87	48.3	48.3	100.0		
	Total	180	100.0	100.0			

The study findings established that the mean of the respondents' gender was  $\mu$ =.48. This implies that majority of respondents were male

## 4.1.2. The Level of Education

The Level of Education							
		Frequency	Percent	Valid Percent	Cumulative		
					Percent		
Valid	Diploma	31	17.2	17.2	17.2		
	Degree	85	47.2	47.2	64.4		
	post graduate	64	35.6	35.6	100.0		
	Total	180	100.0	100.0			

The study findings implied that majority of the respondents,47.2%, were degree holders. Besides, 35.6% had a postgraduate qualification, while 17.2% were diploma holders. This implies that middle and top-level managers in FBHs have a graduate and postgraduate qualification

# 4.1.3. The Number of Years Worked in the Hospital

The number of Years Worked in the Hospital								
		Frequency	Percent	Valid Percent	Cumulative Percent			
Valid	0-1 years	13	7.2	7.2	7.2			
	1-3 years	38	21.1	21.1	28.3			
	4-7 years	55	30.6	30.6	58.9			
	8-10 years	74	41.1	41.1	100.0			
	Total	180	100.0	100.0				

It was established that majority of the respondents had worked for 8-10 years, 41.1%.

## 4.2. Measures of Independent Variables

## 4.2.1. Competencies

FBH h	FBH have equipped Employees with Relevant Skills and Qualifications							
		Frequency	Percent	Valid Percent	Cumulative			
					Percent			
Valid	Strongly Disagree	66	36.7	36.7	36.7			
	Disagree	51	28.3	28.3	65.0			
	Undecided	9	5.0	5.0	70.0			
	Agree	35	19.4	19.4	89.4			
	Strongly Agree	19	10.6	10.6	100.0			
	Total	180	100.0	100.0				

The results shows that majority of the respondents strongly disagreed that FBHs have equipped employees with relevant skills and qualifications. The statistical findings show that majority of the respondents, 36.7%, strongly disagreed that FBHs have equipped employees with relevant skills and qualifications. Besides, 28.3% disagreed that they have equipped employees with relevant skills and qualifications. Only 19.4% and 10.6% agreed and strongly agreed respectively that FBHs have equipped employees with relevant skills and qualifications. According to Adolf et al. (2018), FBHs hardly equip employees with relevant skills and qualifications. They observed that managers with higher degree have better managerial skills. Therefore, FBHs should equip employees with relevant skills and qualifications to enhance their performance.

FBH E	FBH Equip Employees with Technical Training due to Technological Changes							
		Frequency	Percent	Valid Percent	Cumulative			
					Percent			
Valid	Strongly Disagree	35	19.4	19.4	19.4			
	Disagree	59	32.8	32.8	52.2			
	Undecided	16	8.9	8.9	61.1			
	Agree	35	19.4	19.4	80.6			
	Strongly Agree	35	19.4	19.4	100.0			
	Total	180	100.0	100.0				

The results show that majority of the respondents disagreed that FBH equip employees with technical training due to technological changes. Majority of the respondents, 32.8% and 19.4%, disagreed and strongly disagreed respectively that FBHs equip employees with technical training due to technological changes. Only19.4% of the respondents agreed and strongly agreed that FBHs equip employees with technical training due to technological changes. Maria (2018) noted that human resource managers who are competent lead organizations to success and majority of FBHs do not equip employees with technical knowhow relative to changes in technology. Therefore, FBHs should equip employees with technical training due to technological changes to enhance their performance.

FBH E	FBH Equip Employees to Cope with Global Changes							
		Frequency	Percent	Valid Percent	Cumulative			
					Percent			
Valid	Strongly Disagree	54	30.0	30.0	30.0			
	Disagree	55	30.6	30.6	60.6			
	Undecided	11	6.1	6.1	66.7			
	Agree	18	10.0	10.0	76.7			
	Strongly Agreed	42	23.3	23.3	100.0			
	Total	180	100.0	100.0				

The results show that majority of the respondents strongly disagreed that FBH equip employees to cope with global changes. The findings show that majority of the respondents, 30% and 30.6%, strongly disagreed and disagreed respectively that FBHs equip employees with skills to enable them cope with global changes. Only 23.3% and 10% strongly agreed and agreed respectively that FBHs equip employees with skills to help them cope with global changes. Fung et al. (2017) observed that the performance of faith-based hospitals can be improved by enhancing the employees' competencies to enable them cope with global changes. Besides, Yvonne (2014) established that competency among

medical practitioners is essential and recommended that nurses should undergo competency-based education to enhance their skills and improve their performance. The two studies observed that FBHs do not equip employees with competencies to enable them cope with global changes. Therefore, FBHs should equip employees with competences to cope with global changes.

#### 4.2.2. Resources

FBH H	FBH Have Adequate Financial Resources							
		Frequency	Percent	Valid Percent	Cumulative			
					Percent			
Valid	Strongly Disagree	133	73.9	73.9	73.9			
	Disagree	25	13.9	13.9	87.8			
	Undecided	3	1.7	1.7	89.4			
	Agree	14	7.8	7.8	97.2			
	Strongly Agree	5	2.8	2.8	100.0			
	Total	180	100.0	100.0				

The results show that majority of the respondents strongly disagreed that FBH have adequate financial resources. Majority of the respondents, 73.9% and 13.9%, strongly disagreed and disagreed that FBHs have adequate financial resources. Only7.8% and 2.8% agreed and strongly agreed respectively that FBHs have adequate financial resources.

FBH Have Adequate Employees							
		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>		
Valid	Strongly Disagree	124	68.9	69.3	69.3		
	Disagree	34	18.9	19.0	88.3		
	Undecided	6	3.3	3.4	91.6		
	Agree	9	5.0	5.0	96.6		
	Strongly Agree	6	3.3	3.4	100.0		
	Total	179	99.4	100.0			
Missing	System	1	.6				
Total		180	100.0				

The results show that majority of the respondents strongly disagreed that the FBHs have adequate employees. 68.9% and 18.9% of the respondents strongly disagreed and disagreed respectively that FBHs have adequate employees. Only 5.0% and 3.3% agreed and strongly agreed that FBHs have adequate employees. Therefore, FBHs should improve their human resource management system to attract potential employees and retain the existing staffs.

FBH Have Adequate Infrastructure								
		Frequency	Percent	Valid Percent	Cumulative Percent			
Valid	Strongly Disagree	124	68.9	68.9	68.9			
	Disagree	32	17.8	17.8	86.7			
	Undecided	5	2.8	2.8	89.4			
	Agree	8	4.4	4.4	93.9			
	Strongly Agree	11	6.1	6.1	100.0			
	Total	180	100.0	100.0				

The results show that majority of the respondents strongly disagreed that FBHs have adequate infrastructures. Majority of the respondents, 68.9% and 17.8% strongly disagreed and disagreed respectively, that FBHs lack adequate infrastructure. Therefore, FBHs should be financed adequately to acquire the required infrastructure.

# 4.2.3. Competitive Orientation

FBH H	FBH Have adequate differentiation and Referrals								
		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>				
Valid	Strongly Disagree	26	14.4	14.4	14.4				
	Disagree	29	16.1	16.1	30.6				
	Undecided	11	6.1	6.1	36.7				
	Agree	56	31.1	31.1	67.8				
	Strongly Agree	58	32.2	32.2	100.0				
	Total	180	100.0	100.0					

The study results show that majority of the respondents strongly agreed that FBHs have adequate differentiation and referrals. Majority of the respondents, 32.2% and 31.1%, strongly agreed and agreed that FBHs have adequate differentiation and referrals. 16.1% and 14.4% of the respondents disagreed and strongly disagreed that FBHs have adequate differentiation and referrals. Similarly, Gitahi and K' Obonyo (2018), established that FBHs have adequate differentiation and referrals. Therefore, the adequate differentiation and referrals attributed to FBHs enables them to remain competitive in the market.

FBH I	FBH Have New Innovations							
		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>			
Valid	Strongly Disagree	9	5.0	5.0	5.0			
	Disagree	24	13.3	13.3	18.3			
	Undecided	17	9.4	9.4	27.8			
	Agree	47	26.1	26.1	53.9			
	Strongly Agree	83	46.1	46.1	100.0			
	Total	180	100.0	100.0				

The results show that majority of the respondents strongly agreed that FBHs have new innovations. 46.1% and 26.1% of the respondents strongly agreed and agreed respectively that FBHs have new innovations. Only 13.3% and 5.0% disagreed and strongly disagreed respectively, that FBHs have new innovations.

FBH Satisfy Customers										
	•	Frequency	Percent	Valid Percent	Cumulative Percent					
Valid	Strongly Disagree	13	7.2	7.3	7.3					
	Disagree	12	6.7	6.7	14.0					
	Undecided	7	3.9	3.9	17.9					
	Agree	38	21.1	21.2	39.1					
	Strongly Agree	109	60.6	60.9	100.0					
	Total	179	99.4	100.0						
Missing	System	1	.6							
Total		180	100.0							

The results show that majority of the respondents strongly agreed that FBH satisfy customers. Majority of the respondents, 60.9% and 21.1% strongly agreed and agreed respectively that FBHs satisfy customers. Only 6.7% and 7.3% disagreed and strongly disagreed that FBHs satisfy customers. Therefore, FBHs are able to meet customer needs, which enhance their competitiveness in the health sector.

#### 5. REGRESSION MODEL SUMMARY

Model Summary <sup>b</sup>													
Model	R	R	Adjusted	Std. Error of	Change Statistics						Durbin-		
		Square	R Square	the Estimate	R	F	df1	df2	Sig.	F	Watson		
					Square Change Change		e						
					Change								
1	.974 <sup>a</sup>	.949	.947	.27404	.949	643.251	5	173	.000		2.216		
a. Predictors: (Constant), Competencies, Resources, Competitive Orientation,													
b. Dependent Variable: Performance													

The model results show that there is a positive relationship between performance of faith-based hospitals and competences, competitive orientation, and resources (R=0.974). The R-square (R=.947) shows that 94.7% of variation in performance of FBH in Kenya can be explained by, competences, competitive orientation, and resources. Since the R<sup>2</sup> is greater than 0.5, the model is effective to determine the relationship between dependent and independent variables. Competitive orientation has a significant moderating influence on the relationship between the operating environment and the performance of faith-based hospitals in Kenya since the sig value is 0.00, which is below the acceptable limit of 0.005.

#### 6. CONCLUSIONS AND RECOMMENDATIONS

FBHs have not equipped employees with relevant skills and qualifications. However, it is uncertain on whether FBHs give employees the needed technical training due to current technological changes in the healthcare, and offer necessary professional skills to develop the employees to cope with the global changes. Besides, FBHs lack adequate financial resources, employees, assets, and infrastructures that significantly improve their performance. FBHs have operational efficiency in differentiation and referrals, new innovations to enhance performance, and they offer high customer satisfaction. Moreover, competitive orientation has a significant moderating influence on the relationship between the operating environment and the performance of FBHs in Kenya.

The research recommends FBHs to enhance their financial resources, employees' skills, asset base, and infrastructure to improve their performance. Besides, they should enhance their operational efficiency in differentiation and referrals, new innovations, and customer satisfaction to enhance their performance. FBHs should continue to strengthen their operational efficiency in differentiation and referrals and new innovations to enhance performance and offer high customer satisfaction.

#### 7. RECOMMENDATIONS FOR FURTHER STUDIES

Further studies should be done to establish the FBHs ability to cope with existing regulations, and the challenges facing faith- based hospital when the health sector is faced by pandemics.

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