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INFLUENCE OF STRATEGIC COMPOSITION OF BOARD OF DIRECTORS ON ORGANIZATIONAL PERFORMANCE OF MISSION HOSPITALS IN KENYA

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ABSTRACT: *There is an increased public concern about health issues in Kenya. This is because of changes in healthcare funding; advanced technology and the dramatic changes in demand of healthcare services over the last decade. In the context of these challenges, it is imperative for mission hospitals to know which strategic management practices contribute to superior organizational performance. These are the factors that mission hospitals need to treat with renewed emphasis to improve delivery of healthcare service and boost the health sector in Kenya. The governance factor in mission hospitals, which is the responsibility of the board of directors had been identified as a major weakness that required to be addressed.*

KEYWORDS: Organizational performance, Strategy, Strategic Composition, Board of Directors

INTRODUCTION

Mission hospitals in Kenya, also referred to as faith-based organizations were the first to provide modern healthcare service as we know it today. Mburu (2010) posits that, the Kenyan healthcare sector traces its origin from the early days of missionary work; where Mission hospitals were established as part of the churches' mission of evangelization. In the past, mission hospitals in Kenya enjoyed support from a variety of sources that included the government and sponsoring churches abroad. This enabled them to provide quality, affordable and accessible healthcare service to the medium and low income groups of the population (Mwenda, 2009). Today, cost of healthcare service provision has escalated; human resource migration has significantly increased; there are fewer missionary experts and mission hospitals receive limited subsidies from the government. These negative changes are in spite of mission hospitals being major contributors of healthcare service in Sub Saharan Africa. In Kenya, mission hospitals contribute 43% of healthcare service and an improvement in their organizational performance would greatly boost the healthcare service delivery. According to Githeko (2009), Mission hospitals have to embrace innovative ways in healthcare service delivery, to help them survive and prosper. This study examined the influence of strategic composition of board of directors on organizational performance of mission hospitals in Kenya.

Statement of the Problem

Kenyans are entitled to a life of dignity and access to the highest standards of healthcare service. A healthy population is the most significant capital in steering economic and social development; and is guaranteed as a basic human right (Kenya Constitution, 2010). In the past, government posted consultant doctors and nurses to mission hospitals and gave essential drugs and vaccines (Mwangi, 2013). Mission hospitals also received unrestricted donations from

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sponsoring churches abroad.

Today, mission hospitals receive minimal support from the government and sponsoring churches, negatively affecting their organizational performance and threatening their very survival. The ministry of health budget has been reduced, there is inefficient utilization of resources and an increase of diseases (Kenya Health Policy Framework (2013).

Mission hospitals in SSA are not modernizing and knowledge on their organizational performance is inadequate. Centre for Global Development (2013) attributes this partly to lack of high-level strategic focus which is the responsibility of the board of directors; who are largely appointed on political considerations (Kamaara, 2014)

The influence of strategic composition of the board of directors on organizational performance of Mission hospitals has not been extensively studied. Prior research studies were done in developed countries and their results are mostly inconsistent. As the environment in SSA is different from that of the developed countries, it is inappropriate to generalize the result findings, and the research gap is therefore justified. Theuri (2014) did a study on key determinants of value addition in the seafood industry in developing countries and recommended further research in other industries. This research study is therefore an attempt to do further research study in the healthcare industry.

Study Objective

The objective of the study was to establish the influence of strategic composition of board of directors on organizational performance of mission hospitals in Kenya.

Hypothesis

There is a significant influence of strategic compositions of board of directors on organizational performance of mission hospitals in Kenya.

Theoretical Orientation

Agency theory was used in this study. It is important because it gives the general framework of analysis of managerial behavior which is of interest to the board of directors in controlling the operations in an organization.

Agency Theory

Agency theory provides a general framework of analyzing managerial behavior. It proposes that the firm owners (principles) hire managers (agents) and then delegate the day to day operating decisions to them (Baker & Anderson, 2013). The theory assumes that both the owners and managers seek to maximize their personal utility. Baker and Anderson (2013) observed that for shareholders, maximization of utility translates to the higher stock price (wealth maximization). However, managers may focus on short term earnings that correspond to their remaining time in the corporation rather than long term goals that correspond to shareholders' wealth maximization. Managers may also focus on low risk projects for fear of risking their careers even when these projects do not maximize the shareholders' wealth (Baker & Anderson, 2013). Kumudini (2010) suggested that much of the research work done on board of directors is based on agency theory as the basis of analysis. It is a theory that can be applied in every situation in which one party (the principal) delegates work to another (the agent) to perform service on behalf of the principle, which involves some decision-making authority

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being yielded to the agent (Huillier, 2014). The contractual relationship entered by the two involves voluntary exchange resulting in some form of dependency.

The incentive for development of agency theory is the separation of ownership represented by the board of directors and the control function by managers. Kumudini (2010) argued that firms do not operate according to the maximization principle, mainly because of the conflicting interests between investors and managers (Naidoo, 2010). Principals want to maximize their benefits while minimizing rewards to agents while agents want to maximize their benefits without working hard (Althaus, 1997, Cole, 1998, Shleifer & Vishny, 1997). The assumption of agency theory is that principal's wealth would not be maximized when agent and principal have different goals and different access to information (Huillier, 2014). Berle and Means (1932) were the first to argue that boards of directors are an essential monitoring device and they minimize the problems brought about by the principal-agent relationship.

Proponents of agency theory suggest that it is all about creating a monitoring mechanism to control corporate insiders to maximize shareholder wealth by reducing agency loss (Adegbite *et al*., 2012, Darus, 2011, Bonazzi & Sardar, 2007).

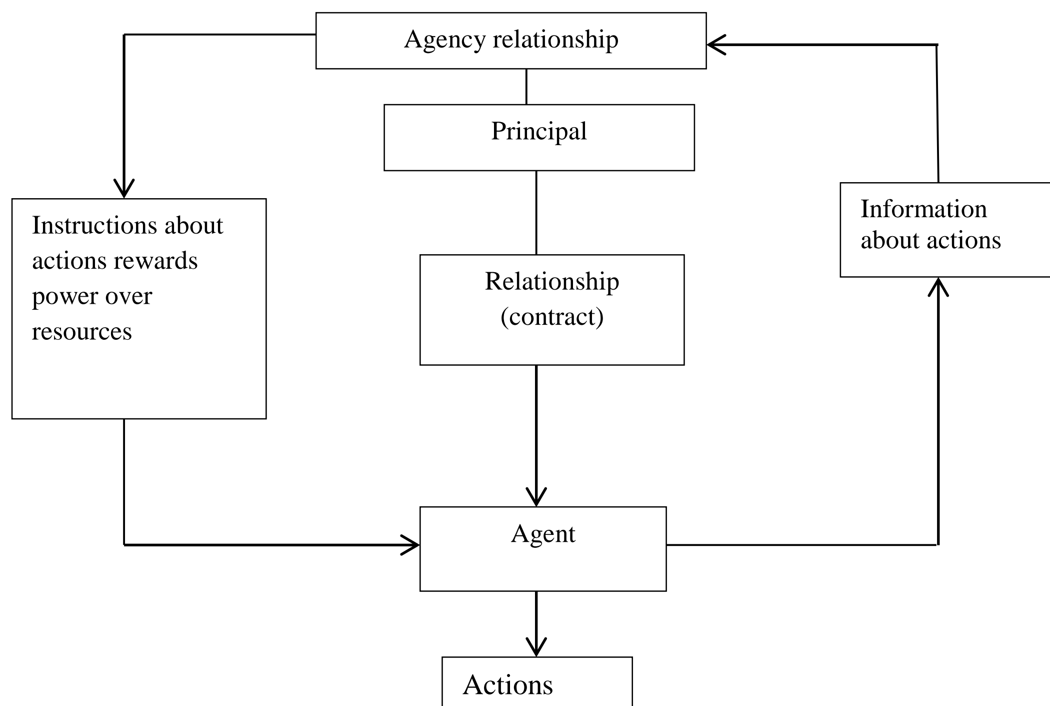

Figure 2.1: Agency Relationships (Huillier, 2013)

Stakeholder's Theory

The theory focuses on the purpose of the firm and what brings its core stakeholders together (Clarkson, 1998, Cooper & Owen, 2007). One of the original advocates of stakeholders' theory, Freeman (1984), identified the emergence of stakeholder groups as endeavour elements to the organization requiring consideration. Freeman (1984) further suggested a re-engineering of theoretical perspectives that extend beyond the owner-manager-employee position and recognize the numerous stakeholder groups (Kumudini, 2011). Stakeholder theory focuses on

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the responsibility of a firm to its stakeholders, helping the management to articulate how they want to do business and specifically the type of relationships they want to keep with all stakeholders (Huillier, 2014). Stakeholders theory's primary focus is to provide a vehicle for coordinating stakeholder's interest (Evan & Freeman, 1998) and structures are put in place where stakeholders can state their case and reduce the effects of information asymmetry.

The theory assumes that the quickest way to destroy the shareholder value is to ignore stakeholders. The model rejects the assumption that the enterprise exists to serve the interest of its owners, that of maximizing their wealth or some other reason for being in business (Abdullah & valentine, 2009). On the contrary, the model is based on the idea that enterprises are established to serve many stakeholders who have an interest in it or who in some way may be harmed or benefitted by it. Stakeholders' theory is an extension of the agency theory as the responsibility of the board of directors is enlarged from the shareholders to all stakeholders (Smallman, 2004). The narrow focus on shareholders advocated for by the agency theory has undergone changes and is expected to consider a broader group of stakeholders such as those interest groups linked to social, environmental and ethical considerations (Guzeh, 2011).

Stewardship Theory

Stewardship theory rejects the assumptions of agency theory and assumes that managers' behaviour is pro-organizational and collective, achieving higher utility by serving a corporation. It further assumes that managers left on their own will indeed act as responsible stewards of the assets that they control (Kumudini, 2010, Letting 2011). Stewardship theory has emerged as an alternative to agency theory in the field of corporate governance (Leng, 2002).

Stewardship theory argues that individuals with legitimate interests participating in an enterprise do so to obtain benefits and that there is no priority of one set of interests and benefits over another (Leng, 2002). Runk (2011) suggested that in being effective stewards of their organizations, executives and directors are effectively managing their own careers. The theory assumes that managers behave as trustworthy stewards of the organization and focus on the collective good of the constituents in the firm regardless of the manager's self-interests (Mueller, 2006). In stewardship theory, superior performance in an organization is linked to having the majority of the inside, executive directors on the board, since these inside directors better understand the business, and can make better decisions than outside directors (Bathula, 2008, Letting, 2011). The researchers observe that inside boards are preferred for their professionalism, technical expertise, and commitment to the organization (Letting, 2011). The theory, however, fails to recognize the many failures of managerial integrity and competence, making the model inadequate for analyzing corporate governance in a modern corporation (Ongore, 2011).

Empirical Orientation on Strategic Composition of the Board of Directors

The boards of directors run the organization on behalf of the shareholders; and the strategic composition of the boards of directors is an important component of its structure (Kumudini, 2011). Boards of directors appoint committees and delegate certain responsibilities to them but retain the overall accountability to the shareholders (Mallin, 2013). The committees are important as they look at the delegated responsibility in more detail and are able to introduce objectivity in areas that have inherent conflict of interest (Charkham, 2005). Given the importance of the subject and the level of research activity, it would be expected that a clear

link between the boards of directors and organizational performance has been established (Shank, Hill & Stand, 2010). This is however not the case; but there exists a general belief that organizations with good corporate governance leads to positive organizational outcomes (Zahra & Pearce, 1989, Kumudini, 2011, Shank, Hill & Stand, 2010).

Strategic composition of the boards of directors is a mixture of the size of board; the board of directors' independence; their experiences and functional backgrounds; including their skills among other attributes (Kamaara, 2014). This mixture of attributes helps the board members in gathering information, building of knowledge and in making organizational decisions. The non-executive board members (outside directors) are believed to be in a better position to monitor management and therefore lead to superior performance, as a result of their independence from influence (Ongore, 2008, Kumudini, 2011, Valenti, Luce & Mayfield, 2011). This is based on agency theory that argues that the separation of ownership and control of organizations potentially creates a conflict of interest. Managers act in self-interest at the expense of the shareholders who are not involved in the daily operations of the firm (Ongore, 2008, Kumudini, 2011, Kamaara, 2014). It is however believed that when the boards effectively perform their fiduciary duties; the organizational value improves.

Stewardship theory however views managers as stewards who endeviour to maximize shareholders' wealth, contrary to the assumption of agency theory that managers work in self-interest at the expense of the shareholders. Ranti (2011) suggested that the boards of directors appoint and monitor the performance of independent auditors and resolve internal organizational conflicts that help in reducing agency costs; that way improving organizational performance. Stewardship theory rejects the assumptions of agency theory and assumes that managers' behaviour is pro-organizational and collective, achieving higher utility by serving a corporation. It further assumes that managers left on their own will indeed act as responsible stewards of the assets that they control (Kumudini, 2010, Letting 2011).

Stakeholders theory focuses on the purpose of the firm and what brings its core stakeholders together (Clarkson, 1998, Cooper & Owen, 2007). One of the original advocates of stakeholders' theory, Freeman (1984), identified the emergence of stakeholder groups as endeavour elements to the organization requiring consideration. Freeman (1984) further suggested a re-engineering of theoretical perspectives that extend beyond the owner-manager-employee position and recognize the numerous stakeholder groups (Kumudini, 2011). Stakeholder theory focuses on the responsibility of a firm to its stakeholders, helping the management to articulate how they want to do business and specifically the type of relationships they want to keep with all stakeholders (Huillier, 2014). Stakeholders theory's primary focus is to provide a vehicle for coordinating stakeholder's interest (Evan & Freeman, 1998) and structures are put in place where stakeholders can state their case and reduce the effects of information asymmetry. The narrow focus on shareholders advocated for by the agency theory has undergone changes and is expected to consider a broader group of stakeholders such as those interest groups linked to social, environmental and ethical considerations (Guzeh, 2011).

Empirical studies on strategic composition of the boards of directors have previously focused on size of the Boards. According to the Centre for Corporate Governance (2000), the size of boards in Kenya range between 7 and11. An appropriate composition will have a mix of age, gender, geographical spread and team roles (Kamaara, 2014). Ranti (2011) however argued that despite developing countries having appropriate strategic composition of boards of

directors, they still face challenges in executing their duties as the judiciary and regulatory frameworks are weak.

It is widely agreed that boards of directors should contribute to organizational strategy (Brauer & Schmidt, 2007), despite there being no consensus on how this should be implemented. Indeed, Cadbury (1992) identified the monitoring role of board of directors as a strategic management practice that influence organizational performance and argued that strategic composition of the boards of directors is an important aspect of its structure. Proponents of small boards say that it is effective and efficient, that it is easy to deliberate strategic issues during the board meetings. Those in support of large boards argue in favour of the abundant resources in skills, knowledge and experience that come with large boards of directors and that ultimately improve the firms' performance (Letting, 2011, Ongore, 2008, Ranti, 2011, Kamaara, 2014; Kumudini, 2011). The boards have inside and outside directors; the inside directors are senior employees of the corporation (Chief Executive officers and Top Management Teams). Ongore (2008) posits that one way of solving the agency problem between shareholders and managers is the appointment of outside directors to the boards of directors. The independent directors compel the top management teams to take unbiased strategic decisions; and act as referees in implementing corporate governance principles that protect the shareholders' rights (Ranti, 2011).

The board of directors' independence however becomes less effective in the long term as non-executive board members build close relationships with the top management teams (O'Sullivan & Wong, 1999; Kumudini, 2011). Ranti (2011) posits that the board size can range from small (5 or 6) to very large boards (over 30). The average board size is between 12 and 14 members (Letting, 2011, Changanti *et al*., 1985; Ranti, 2011). Those against large boards say that they are less effective as they take a lot of time in coordinating their activities (Kamaara, 2013, letting, 2011, Ongore, 2008). They indeed suggest that large boards contribute to negative organizational performance as a result of high agency costs. Some scholars suggest that there might even be a threshold where the sizes of boards have a negative impact on organizational performance; but there is no empirical evidence on this (Posta, Ees & Sterken 1993, Ranti, 2008, Al-Matari, Al-Swidi, Fadzil, and Al-Matari, 2012)

The other variable to consider is the number of outside board members (non-executive). Independent board of directors are defined as all non-management members of the boards (Letting, 2011, Johnson *et al*., 2008), appointed as a way of solving the agency problem between shareholders and managers. The independent directors encourage the top management teams to take unbiased strategic decisions and play the role of referees in protecting the shareholders' rights (Ranti, 2011). The empirical evidence on the influence of non-executive directors on firm performance has mixed results. Lorsch and Clark (2008) demonstrate that non-executive directors contribute to improved organizational performance. Other boards have executive directors who double as senior employees of the organization. The executive directors bring valuable organizational specific information to boards' meetings that improve strategic decisions making. It has been argued that this dual responsibility might however create a conflict of interest. Letting (2011) suggested that the same conflict can occur with interlocking board of directors, a situation where a board member serves in many boards of other organizations. Conflict of interest can also arise in a situation where a CEO also serves as the chairman of the board of directors.

Corporate scandals and organizational failures have resulted in massive organizational losses and questioned who is indeed responsible for protecting the shareholders. A study on

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comprehensive situational analysis of faith based health services Vis government health services done in 2007 identified hospital governance as a major weakness (Mwenda, 2009). This study on influence of strategic composition of the board of directors on organizational performance of mission hospital in Kenya is therefore justified. Good corporate governance is the duty of the board of directors and involves setting performance standards and ensuring their implementation.

Board of directors select and approve appropriate compensation for the CEOs; evaluate pay dividends; oversee share repurchase programs; approve the company's financial statements and recommend acquisition and mergers (Kamaara, 2014, Centre for Corporate Governance in Kenya, 2000). Strategic decision making is crucial to organizational performance as it gives the organization a general direction to the business. Kamaara (2014) observed that the board of directors set the vision and mission of the organization and ensure that all activities undertaken are aligned to the mission. There is a near consensus that effective board of directors' management contribute to firm survival and prosperity (Letting, 2011; Kamaara, 2014). The board directors are the link between management and shareholders in an organization (Mallin, 2007). Board directors also form the link between the firm and its external environment; that way providing resources needed for its survival (Mallin, 2007). The board of directors create an internal control in organizations by formulating policies that give a general direction (Fama & Jensen 1993; Ongore, 2008; Letting, 2011).

Board directors sit at the apex of corporate governance and have the ultimate responsibility of guiding and monitoring the strategic decisions taken by managers. Abdulla and Page (2009) posits that the board directors have a strategic duty of maintaining a firm's reputation and legitimacy. Letting (2009) posits that the board directors do high level reviews of strategic plans, monitor their implementation and assess the performance of the organizations. The board members have the ultimate mandate of providing strategic alternatives to organizations.

Boards of directors from developed countries participate more in strategic decision making than those from developing countries. In developing countries, governance structures are missing; legal and judicial systems are weak and institutions are not developed (Kumudini, 2009). Despite this bleak picture, the important influence of the strategic composition of the board of directors in organizational outcomes is taking root in Kenya. Indeed, board members have the ultimate responsibility for organization performance.

DATA ANALYSIS METHODOLOGY

The study was both qualitative and quantitative, so for the analysis; descriptive statistics, Pearson correlation and t-test were used. The analysis of research hypotheses was done with the help of SPSS Version 22 and advance excel. Correlation and linear regression (OLS) analysis was used for the relation of variables with each other. Research hypotheses in this research study were analyzed at 95% level of significance.

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RESULTS FROM THE FINDINGS

Board Composition

The main aim of this question was to find out the board composition. The question was very important to this study because it allowed the researcher to access if the board composition had an influence on the performance of hospitals. Data collected was analyzed and the findings were presented as shown in the table below;

Table 1: Board Composition

	Frequency	Percent
Independent board member	30	20.5
Representative of other organizations	46	31.5
Working for the hospital	70	47.9
Total	**146**	**100.0**

The findings revealed that most of the members (47.9%) of boards are working for the hospitals while 31.5% are representatives sent from other organizations. A small percentage of the members of the board are independent members. This was according to 20.5% of the remaining respondents.

Independent Board Member

The researcher wanted to know the number of independent board members in each mission hospital that was represented by the study. The findings were as shown;

Table 2: Independent Board Member

	Frequency	Percent
3	71	48.6
4	50	34.2
5	15	10.3
6	10	6.8
Total	**146**	**100.0**

Most of the respondents (48.6%) said that the independent board members were 3 while 34.2% said that the independent members were 4 in number. Other respondents (10.3% said that the independent members were 5 in number. 6.8% of the remaining respondents said that the board had 6 independent members. This shows that the number of independent board members is not that big. The independent members of the boards of directors are believed to be in a better position in monitoring the activities of the hospitals, and therefore improvements in organizational performance, because of their independence from interference (Kumudini, 2011, Valenti, Luce & Mayfield, 2011). This supports Agency theory that argues that separation of ownership and control of organizations creates a conflict of interest and can negatively affect the organizational performance.

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Representatives of the Government

Table 3: Representatives of the Government

	Frequency	**Percent**
1	100	68.5
2	30	20.5
3	16	11.0
Total	**146**	**100.0**

Asked about the number of government representatives on the board, majority of the respondents (68.5%) said that the board has one government representative while 20.5% said that the number of government representatives are two. 11% said that the board has 3 government representatives.

In the past, mission hospitals enjoyed support from a variety of sources including the government (Mwenda, 2009). Today however, mission hospitals received limited subsidies from the government and majorly have only one government representative in the board.

Response on the Period of Service by the Respondents

Table 4: Period of Service

	Frequency	**Percent**
1 -2 years	75	51.4
3-4 years	54	37.0
5 years and above	17	11.6
Total	**146**	**100.0**

Asked about the number of years in service, 51.4% of the respondents said that they have worked for between 1 and 2 years while 37.0 said that they worked for 3-4 years. A small percentage of the remaining respondents had a work experience of 5 years and above. The findings show that the experiences of the board members are well balanced with the boards composed of a mix of experienced and new members serving together.

Gender of the Board

Table 5: Gender of the Board

	Frequency	**Percent**
Male	96	65.8
Female	50	34.2
Total	**146**	**100.0**

Majority (65.8%) of the board members were reported to be male while 34.2% were reported to be female. This shows that male members have dominated the boards of mission hospitals. According to Kamaara (2014), an appropriate composition will have a mixture of age, gender, geographical spread and team roles. Ranti (2011) however argued that despite developing countries having appropriate strategic composition of boards of directors, they

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still face challenges in executing their duties as the judiciary and regulatory frameworks are weak.

Previous research, the world over has also found that men dominate boards of directors of other organizations; especially in the Middle East and Northern America (Letting, 2011). In Kenya, the listed companies were found to have a varied composition of boards of directors in respect to gender and nationality in a study conducted by Business Daily (Business Daily, 2013, Kamara, 2014). The recommended threshold is at least a third of each gender for public organizations (Letting, 2011); and mission hospitals, although they are not public institutions have complied with this requirement with 34.2% women in the boards of directors.

Factors Considered when Appointing Board Members

The researcher tried to establish the factors that are considered for one to be appointed as a board member. The findings revealed that;

Table 6: Factors Considered when Appointing Board Members

	Frequency	Percent
Experience	108	74.1
Skills	117	80.2
Qualifications	30	20.5
Religion	13	8.9
Gender	1	.7
Age	7	4.8

Majority of the respondents said that (80.2%) skills are the key determining factors for appointing one to be a board member. 74.1% said that experience is the main factor that is considered for one to be appointed as the board member. Another set of the other respondents said that academic qualification sometimes is considered while a very small percentage of the other respondents said that age is a determining factor. 0.7% said that gender to some extent is considered before one is appointed as a board member with preference given to men. This is in tandem with Mckinsey (2007) and Kamaara (2013) who also found that board memers are mainly appointed based on skills and experience.

Descriptive Statistics

The descriptive statistics of interest to the researcher included correlations and the t-test. The findings from the field were as shown below;

Correlations

The researcher wanted to establish if there existed a linear relationship between the strategic composition of the board of directors and organizational performance of mission hospitals. The findings from the field were as shown below;

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Table 8: Correlations Matrix

		Strategic Compositions	Organizational Performance
Strategic Compositions	Pearson Correlation	1	.239**
	Sig. (2-tailed)	.000	.000
	N	146	146
Organizational Performance	Pearson Correlation	.239**	1
	Sig. (2-tailed)	.000	.000
	N	146	146

The findings revealed that there is a weak but positive correlation between organizational performance and strategic composition of the board of directors. This was according to the Pearson correlation coefficient of 0.239. The boards of directors run the organization on behalf of the shareholders; and the strategic composition of the boards is an important component of its structure (Kumudini, 2011). Cadbury (1992) identified the monitoring role by board members as a strategic management practice that influences organizational performance, in this case the organizational performance of mission hospitals in Kenya.

Test of Hypothesis

The researcher was interested in testing the null hypothesis which stated that "there is a positive significant influence of strategic compositions of board of directors on organizational performance of mission hospitals in Kenya". The inferences from the findings were as presented in the table below;

Table 9: Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Frequency at which hospital bed is occupied by different patient in a month	Male	96	5.3478	13.47479	1.40484
	Female	50	9.6600	25.63926	3.62594

Majority of the people who sit in the board according to the findings of this study were male while females were minority. This was represented by a mean of 5.3 and 9.6 respectively.

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Table 10: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Frequency at which hospital bed is occupied by different patient in a month	Equal variances assumed	6.614	.011	-1.315	140	.191	-4.31217	3.27807	-10.79309	2.16874
	Equal variances not assumed			-1.109	64.038	.272	-4.31217	3.88858	-12.08041	3.45606

An independent t-test was conducted on this question because gender of the members of the board was taken as the grouping variable for comparing the means of the two groups against organizational performance. The researcher was interested in finding out if there is a positive significant influence of strategic compositions of board of directors on organizational performance of mission hospitals. The sig value from the study of 0.011 is less than 0.05. This leads us to accept the null hypothesis. The findings therefore revealed that there is a positive significant relationship between the strategic composition of the bard of directors and organizational performance of mission hospitals in Kenya.

CONCLUSIONS

The study concluded that most of the board members were working for the hospitals, and therefore served as executive members of the board of directors. The other respondents were government representatives, and additionally the boards were found to have independent board members (non-executive). The study concluded that on average, the number of independent members on the boards of directors ranged between 3-5 members. On the number of government representatives on the boards of directors, the study found out that on average there were between 1-3 government representatives on the boards of directors of mission hospitals in Kenya. The board members served for a period of between 1 and 2 years as board of directors of their respective mission hospitals. For one to qualify as a board member, the most important selection criteria were their skills, experience and their level of education.

RECOMMENDATION

The study recommended that there should be a higher level of involvement by board members in running the affairs of mission hospitals in Kenya; not the hands-off approach and lack of ownership witnessed in some hospitals. It is also imperative that the board members are regularly trained on matters that pertain to strategic Planning; strategic evaluation; strategic

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control and their roles in running the hospitals. Boards of directors should ensure a proper mixture of skills, experience and competences in the boards of directors. This will help in strengthening the governance of mission hospitals in Kenya. Boards of directors should have policies that promote synergy in their d committees; and at all times avoid conflicts between themselves and the hospital managers that are likely to negatively affect the organizational performance of mission hospitals in Kenya.

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