

# **EFFECT OF LEADERSHIP IN STRATEGIC PLANNING ON PERFORMANCE OF FAITH BASED HEALTH CARE INSTITUTIONS IN MERU COUNTY, KENYA**

## **ABSTRACT**

The primary objective of this study was to investigate the impact of strategic planning drivers on the performance of faith-based healthcare institutions in Meru County, Kenya. There were four specific objectives: to assess the influence of leadership in strategic planning, environmental scanning, stakeholder involvement, and the strategic planning formulation process on the performance of faith-based healthcare institutions in Meru County, Kenya. The research drew upon the Strategic Fit Theory, Porter's Competitive Advantage Theory, and Institutional Theory. Adopting a descriptive research design, the study targeted 421 employees across 23 faith-based healthcare institutions in Meru County. Using Yamane's formula for categorical data, the study focused on a sample size of 205 respondents. Quantitative data was collected through questionnaires distributed to respondents using a drop-and-pick method, while qualitative data was gathered from hospital administrators using an interview guide. The study employed frequencies, means, and standard deviation to present descriptive results. For inferential statistics, correlation analysis, regression analysis, and analysis of variance were used. The study's results revealed a positive and significant correlation between leadership, environmental scanning, stakeholder involvement, the strategy formulation process, and the organizational performance of faith-based healthcare institutions in Meru County. Regression analysis indicated that strategic planning drivers accounted for 59.5% of the variance in organizational performance. The study found that stakeholder involvement did not exert a significant influence on the performance of faith-based healthcare institutions. As a recommendation, the study suggests that faith-based healthcare institutions should enhance their strategic planning by strengthening collaborations with stakeholders, improving resource mobilization, evaluating threats and opportunities, and involving employees in the strategic planning formulation process. Additionally, the study recommends further research to assess the impact of the internal organizational environment on the performance of faith-based healthcare institutions in other counties in Kenya. Policymakers in faith-based organizations are encouraged to support individual organizations in developing strategic management guidelines that promote regulation and control.

**Key words: strategic planning, leadership, strategic fit theory**

## **INTRODUCTION**

### **Background of the study**

Because generating profits was a fundamental goal of companies, the notion of organizational performance was essential to them. According to Ng'ang'a (2018), a research on the factors that affect organizational performance was driven by his observation that one of the key issues in business had been why some companies thrived while others fail. It was said that in order for a company to succeed, it must provide high returns and pinpoint performance drivers from top to bottom. Strategic management was centered on performance management and improvement since most of it was concerned with defining and assessing performance (Ginter et al., 2018). Chakraborty and Biswas (2020) define performance as a formula for the assessment of how well an organization was functioning under certain parameters, such as productivity, employee morale, and effectiveness, with the goal of achieving sustainable competitive advantage. Academicians had used a variety of parameters to measure performance. The goal approach, which asserted that an organization pursued specific, measurable objectives, was one of the three approaches to performance in an organization that Odhiambo (2009) defined. This method, which was based on goal setting theory, evaluated performance in terms of achieving the established objectives. Many goal setting theory researchers had shown in the literature that using the theory enhanced the performance of people, teams, and organizations (Olanipekun, et al., 2015). The second strategy was based on systems resources and defined performance as the interaction between an organization and its surroundings. According to this idea, performance was determined by an organization's capacity to protect the scarce and priceless resources found in the environment. This idea was strengthened by the resource-based philosophy, which made use of all available resources in the company' surroundings to create a long-lasting competitive advantage (Mathews, 2020). According to the stakeholder theory, one of the important factors influencing organizational success was the stakeholders of a company (Adomako & Tran, 2022). The third strategy was the process viewpoint, which measures performance in terms of how well an organization's processes work based on its use of information communication as one of its performance-enhancing instruments (Onikoyi et al., 2021)

Performance assessment was one of the instruments that organizations used to evaluate performance, identify areas that require attention, boost motivation, improve communication, and promote responsibility, according to Awadallah and Allam (2015). In terms of four perspectives—financial, customer, internal processes, and innovativeness—explained performance. The financial viewpoint emphasized profit margin, asset turnover, leverage,

cash flow, and working capital as the primary financial drivers of improving performance (Maoto, 2017). In terms of brand image, customer happiness, customer retention, and customer profitability, the customer focus explains performance (Ngo & Nguyen, 2016).

Traditional operational performance drivers had only measured success in terms of efficiency, failing to evaluate performance in terms of effectiveness in terms of strategic goals (Akhtar, 2018). In order to redefine strategy, qualitative approaches looked towards the future of the companies whereas quantitative methods focus on the past (Lord & Hoffman, 2015). With the aim of capturing both the financial and non-financial drivers, recent approaches to performance measurement developed comprehensive models such as performance pyramids and hierarchies, intangible assets scorecard, performance prism, success dimensions, and the balanced scorecard in response to the shortcomings of solely relying on quantitative and short-term indicators (Tarurhor & Osazevaru, 2019).

A clear interplay between strategy and performance measurements was necessary for hotels to achieve sustained competitive advantage in this unfavorable economic and competitive climate. These connections had to go beyond the simple collecting of financial and non-financial data to the discovery of causal correlations between measurements, results, and strategies (Mukhezakule & Tefera, 2019). Due to the way the balanced scorecard combined strategic considerations with performance evaluation, it had been extensively employed in literature about hospitality (Tarurhor & Osazevaru, 2019). It was also the first tool to make an effort to gauge success using metrics other than financial ones.

The minimum standard, which combines financial and non-financial measures, the cause-and-effect, which combines strategies and results, and the fully developed perspective, which combines goals, results, and incentives to the organization, were three different types of performance measurement systems that the balanced scorecard (BSC) was said to offer (Tarurhor & Osazevaru, 2019). Additionally, it had recently been said that although performance data collection, reporting, and evaluation cannot guarantee performance, it was crucial to comprehend what occurs next (Moynihan, Nielsen, & Kroll, 2017). To make performance-oriented changes to improve performance, performance information had to be utilized in daily decision making (Maoto, 2017). The Balanced Scorecard incorporated other performance drivers while maintaining the financial metrics as the primary performance indicators (Mio et al., 2022). The conversion of corporate plans into outcomes that could be delivered is one of the strategic planning drivers of performance. To determine if a corporation could achieve its goals, it integrates financial, strategic, and operational factors (Grant, 2021). To enhance organizational performance, strategic drivers of performance were

intimately related to particular strategies and value drivers. Like any other institution, faith-based organizations may utilize performance feedback to change organizational rules and other modes of operation.

### **Strategic planning**

Strategic planning may be seen as the process by which executives created a vision for the future of the company and chose the essential priorities, operations, and processes to realize the goal (Bryson, 2018). It aided in the analysis of past events, the testing of hypotheses, the gathering of data about the present, and the anticipation of the environment in which the organization would function in the future (Coghlan, 2019). A strategic plan needed an organization to look at its operations and the environment it operated in over a number of years. It also contained quantifiable objectives that were reasonable and achievable. This enabled the organization to concentrate its efforts on the pressing problems and difficulties it was experiencing (Coghlan, 2019). Strategic plans were often used by businesses as a management tool to make sure that everyone was working toward the same objectives and that the company was always adapting to the changing environment (Grant, 2021). This was done in the hope that better organizational performance would result from strategic planning. However, Mintzberg (1994) criticized formal strategic planning based on three fallacies: the fallacy of prediction caused by the future's unknown, unpredictable, and uncertainty; the fallacy of detachment caused by the inability to separate the formulation from the implementation of the strategy; and the fallacy of formalization, which prevents flexibility, spontaneity, intuition, and learning.

### **Statement of the problem**

According to Hodge et al., administration of both public and private health institutions became more challenging as a result of the rise of global markets and institutions, which had an impact on companies in the contemporary day (2018). Strategic planning thus became a crucial procedure in both public and commercial health establishments. Studies by Koske (2003) and Ateng (2007) both found that although many businesses had sound strategic plans, their performance was seldom up to par. In their corporate strategy for 2019, NCKK noted that FBIs' strategic plans were ineffective, which had a detrimental influence on their performance.

According to Khayota's (2014) critical analysis of the strategic plan's impact on organizational performance, the Lake Victoria South Water Services Board in Kisumu's organizational structure, culture, employee involvement, and strategic leadership all had an impact on how well the plan was carried out. The implementation of strategic plans in

mission hospitals in Kiambu County was researched by Muhindi (2012). According to the research, effective strategy depended on organizational structure, culture, leadership, and resource allocation. The research, however, did not look at how strategic planning affected performance; instead, it focused on how mission hospitals adopted it. In the Kitui Central Sub County, government hospitals were the subjects of Kamau's (2020) study on institutional elements impacting the implementation of strategic plans. Despite accounting up a respectable percentage of hospital beds in Kenya, the FBIs were not included in this analysis. In order to support private hospitals in other Counties in fulfilling their purpose, the report advised a critical analysis of the elements influencing their strategic objectives. This study sought to address the knowledge gap by investigating the effect of strategic planning drivers on the performance of faith-based healthcare institutions in Meru County.

### **Research Objective**

The general objective of the study was to assess the effect of leadership in strategic planning on performance of faith based health care institutions in Meru county Kenya.

### **Scope of the study.**

Healthcare institutions were widely distributed over Kenyan. However, this study was limited to faith based health care institutions operating in Meru county and focusing on examining the effect of leadership, environmental scanning, stakeholder's involvement, strategic planning formulation process on their performance. The study considered institutions in Level 2, 3, and 4 and adopted a mixed method approach to collect the research data using a questionnaire and an interview guide. The study also considered those health care institutions which had been in existence for more than five years.

## **LITERATURE REVIEW**

### **Theoretical literature review**

#### **Strategic Fit Theory**

The concept of strategic fit had its roots in Venkatraman's writings (1989). There were no set rules for strategic planning techniques, according to this idea, often known as best fit strategic management or strategic choice theory. According to Wright and Snell (2015), the company environment, business strategy, and culture all affect how strategic planning approaches were used. The proponents of this theory also pointed out that strategic planning procedures were only efficient to the degree that they were in sync with the external and internal company environments.

The requirement for an organization to align its strategy with the external environment, internal environment, competitive environment, mission, vision, structure, capabilities, and resources was a key presumption in the area of strategic planning. So, according to the idea, an organization engages in emergent strategic planning processes continually in order to take into account the complexity and unpredictability of the business world. The theory worked well for assessing strategic planning processes in FBH institutions that function in dynamic and difficult environments because of the focus it put on emergent strategic planning processes (Shankar & Shepherd, 2019).

Strategic fit was essential to the process of formulating a strategy and conducting an environmental scan because it enabled a firm to assimilate information from the scan and turn it into a vision and mission statement. As a result, it guaranteed that the mission and vision statements corresponded to data obtained from environmental scanning. Stubner, Lindow, and Wulf (2010). The strategic fit hypothesis gave a lot of weight to the resources' accessibility and applicability throughout the strategic planning process. The process of strategic planning was hampered by the absence of these resources and their alignment with the strategic aim. According to the hypothesis, both internal and external problems arose while executing a strategy. These influence the strength of the leadership's supporting environment throughout the implementation of the strategy (Prajogo, 2016).

It has been proven that the strategic fit served as a framework within which different strategies may be orientated to impact organizational performance. According to Shankar and Shepherd (2019), the strategic fit process included managing all other aspects of the strategic planning process to guarantee that the desired outcome is realized. In addition, the idea posited that strategic fit enabled businesses to assess current strategies in light of their degree of business alignment, resource accessibility, and performance effect.

## **Empirical Literature**

### **Leadership and Performance of faith based health care institutions**

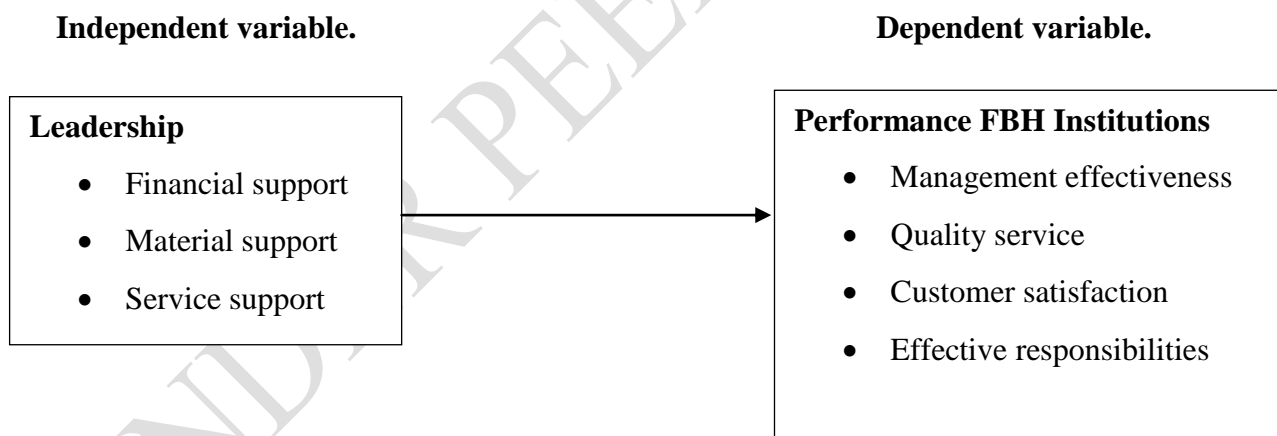
Without a defined vision and purpose for its company, a firm cannot fulfill its goals. The vision, which is a lofty declaration that depicts what the organization strives to be in the future, sets the company's course. The mission explains why an organization exists. An organization's vision and purpose, which serve as its two main guiding principles, must be understood by every member of the organization in order for it to flourish. If this is not the case, the company is unlikely to achieve the same level of success.

In order to effectively design, explain, and convey an organization's vision and objective to all of its members, leadership is essential. Further leadership made sure that everyone in the company was motivated to achieve the vision by carrying out the tasks outlined in the mission that the firm is pursuing. The mission can only be accomplished if the leadership is dedicated to it and setting a positive example; if the leaders' actions are contributing to the stated vision (Senaji et al., 2020).

Leaders in an organization supervise and control activities, according to Cabeza et al. (2018). Effective leaders establish attainable objectives while directing the organization's operations using clever tactics. Effective leaders are able to use their skill set to bring people together to seek common organizational objectives outlined in the organization's strategy, making modifications as needed to accomplish the business's ultimate goals.

### Conceptual Framework

Conceptual framework is a visual representation of hypothesized research relationships. This study embraced a conceptual framework for elevating the significance of research findings, is compatible with relevant theoretical frameworks, and ensures generalizability. Figure 1 depicts the hypothesized connection between the research variables.



**Figure 1: Conceptual Framework**

### Material and Methods:

#### Research Design

Research design; a framework for data collection, analysis and interpretation of the study findings Kothari (2019). The descriptive research design was utilized to obtain information concerning current status of a phenomena and to describe what existed in relation to study variables and conditions by providing answers to questions of to what extent, what, where and how they were associated with the performance of faith-based healthcare institutions in

Meru County. This design allowed the researcher to study and describe the distribution of one or more variables, without regard to any causal or other hypotheses (Aggarwal & Ranganathan, 2019).

### **Target Population**

Dessler (2013), described study population as a definite set of people, group of things, elements or events which fit a certain specification which the researcher was studying. The main objective of population of a study was to ensure accuracy in conclusions that are derived without biasness. A study population mainly comprise of the participants to be affected by the research topic. The target population for this study was all the employees working in faith-based healthcare institutions in Meru County. According to the County Ministry of Health and Sanitation, there are 23 faith-based healthcare institutions in Meru County. The target population was therefore the 421 employees of the 23 faith-based healthcare institutions in Meru County.

### **Sampling Procedures and Techniques**

A sample, according to Cooper and Schindler (2014), was a subset of the total population of interest that was expected to include the characteristics of the population under investigation. An appropriate sample of FBHIs, which will serve as the main sampling units for this research, was selected using a simple random sampling technique. The result was that every unit in the identified population had an equal and sovereign chance of being selected as an associate of the sample. It was necessary to utilize a non-probability sampling design in order to identify level 4, level 3 and level 2 FBHIs in the county, whereas respondents were selected using a probability sampling design in the form of stratified random sample technique. The procedure entailed splitting the population into homogeneous subgroups (strata) and then collecting a simple random sample from each sub-group inside each stratum. Because there were various types of employees in healthcare institutions, the approach chosen was based on.

### **Research Instruments**

Research instruments are the equipment that are utilized to collect information about a subject. A semi-structured questionnaire, consisting of both open-ended and closed-ended questions, was used by the investigator to gather primary data. A five-point likert scale was used to evaluate the responses. Respondent's Background information was included in Section A, leadership covered in Section B, environmental scanning was covered in Section C, stakeholder's involvement was covered in Section D, formulation process was covered in Section E and performance in section F. With this kind of study, questionnaires were the

most effective tool for data collection. The investigation tools items were created in order to halt the flow of information in accordance with the study's goals.

## **Data Analysis Techniques and Procedures**

### **Response Rate**

The study's sample size was 205 respondents drawn from Faith based healthcare institutions in Meru County. The research applied drop and pick method for data collection. The study obtained responses from 183 (89.3%) respondents while 22 (10.7%) sampled participants did not complete /return the questionnaire. Cooper and Schindler (2014) opined that a 60% and higher rate of response in quantitative surveys is suitable for making generalizations about the whole sample, making the response received adequate to represent the population.

### **Reliability Test**

Reliability analysis was done using Cronbach's Alpha which measures the internal consistency by establishing if certain items within a scale measure the same construct. The results demonstrate that the reliability values for the independent variable and the dependent variable constructs surpassed the predefined threshold of 0.7. This indicates that the research instrument exhibited a high level of reliability, obviating the need for any adjustments. These findings align with the guidance of Malhotra (2015) and Cooper and Schinder (2014), who recommended that a variable's reliability is established when the computed Cronbach Alpha equals or exceeds the predetermined threshold of 0.7.

### **Demographic Data**

The study aimed at exploring various background information from the respondent. The study specifically sought to determine the participant's Gender, Age, education level and service length within the institution.

### **Gender**

The researcher collected data on the participants' gender. The collection of information on gender was important because it enabled determination of whether the research was gender biased or not. The results of the participants' gender are indicated in table 1.

**Table 1: Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
<b>Valid</b>		
Female	105	57.6

Male	78	42.4
<b>Total</b>	<b>183</b>	<b>100.0</b>

Results in Table 1, showed that majority of the respondents were female as shown by 57.6% while the rest were male as shown by 42.4%. This shows that the study considered all respondents irrespective of the gender to collect reliable information concerning the effect of strategic planning drivers on performance of faith based health care institutions in Meru County.

### Age of the Respondent

The respondents were requested to indicate their age bracket. The findings for the age distribution of the respondents are as shown in Table 2.

**Table 2: Respondent's Age**

		Frequency	Percent
<b>Valid</b>	18 - 27 years	32	17.5
	28 - 37 years	44	24.0
	38 – 47 years	100	54.6
	Above 47 years	7	3.9
	<b>Total</b>	<b>183</b>	<b>100.0</b>

According to the data presented in Table 2, majority 100 (54.6%) of participants fall within the age range of 38 to 47 years. Additionally, 24.0% of participants reported their age to be between 28 and 37 years, while 17.5% fell in the range of 18 to 27 years. A smaller proportion, 3.9%, indicated that they were above 47 years old. It's worth noting that this study encompassed a wide range of age groups, resulting in a dataset that is diverse and rich in information.

### Highest level of Education

The respondents were requested to indicate their highest level of education. Their responses are presented in Table 3.

**Table 3: Respondent's Highest Education Level**

		Frequency	Percent
<b>Valid</b>	Primary/secondary	20	11.1
	Diploma	24	13.2
	Degree	62	34

Postgraduate	77	41.7
<b>Total</b>	<b>183</b>	<b>100.0</b>

From the findings in Table 3, Majority 77(41.7%) of the respondents possessed postgraduate degrees as their highest level of education. In contrast, 62(34%) of respondents reported holding a bachelor's degree, 24(13.2%) indicated having a diploma, and 20(11.1%) stated that their highest educational attainment was at the primary/secondary level. This diversity in educational backgrounds among the respondents underscores the comprehensiveness of our data collection process, which encompassed individuals from various educational backgrounds. Given the diverse perspectives and qualifications among respondents, we can confidently rely on the collected data to assess their educational qualifications.

#### **Length of Work within the institution**

The study explored the length of time the participants have worked within the healthcare institution, and the findings are shown in table 4.

**Table 4: Length of Work Experience**

		<b>Frequency</b>	<b>Per cent</b>
<b>Valid</b>	1-3 years	2	2.2
	4-7 years	34	37.0
	8-11 years	21	22.8
	12-15 years	27	29.3
	Over 16 years	8	8.7
	Total	92	100.0

The results demonstrated that the majority of the participants 37% had worked within the sector for 4-7 years, 29% had worked for 12-15 years, 22% for 8-11 years while only 2% had worked for 1-3 years. The findings revealed a varying wealth of work experience among participants which showed that accurate information could be collected. Therefore, the data provided on various strategic planning drivers and organizational performance could be relied upon.

## Descriptive Analysis of Study Variables

This study relied on a quantitative research instrument to collect data. The study tool was developed using a 5-point Likert scale. Analysis involved application of means, and standard deviation. The findings for the variable are presented in the respective sections.

### Organization Performance of Faith based Healthcare institutions

The study's dependent variable was the institutions' organization performance. The following statements were prepared, with the findings shown in Table 5.

**Table 5: Results for Organization Performance of FBHIs**

	N	Mean	Std. Deviation
<b>The institution has been able to achieve positive outcomes in the implementation of its programs</b>	183	3.9239	.77366
<b>There is improved efficiency in the execution of the institution's services</b>	183	4.1630	.81574
<b>The institution has been able to develop sustainable partnerships with stakeholders within the health sector</b>	183	4.1848	.74020
<b>The institution has been able to attain better service delivery to beneficiaries</b>	183	3.8804	.79618
<b>There is improved quality in the execution of the institution's services</b>	183	3.8804	1.05708
<b>The institution has been able to maintain financial sustainability in the execution of its services</b>	183	4.1087	.94295
<b>Average</b>		<b>4.0235</b>	<b>0.8543</b>

The analysis demonstrated agreement among respondents that the institutions have developed sustainable partnerships with stakeholders within the health sector as noted by mean = 4.1848 and moderate deviation .7402. The study also showed agreement that there is improved efficiency in executing the institution's services as indicated by mean of 4.163 with a moderate deviation of .81574. The participants were also in agreement that there is improved quality in the execution of the institution's services (mean = 3.8804) and strong deviation in responses as noted by dev = 1.05708. The results also revealed the agreement that the institution has been able to attain better service delivery to beneficiaries as shown by mean of 3.8804. Overall, the results showed an aggregate mean = 4.0235 which was an indication that

majority of the participants were in agreement with statements regarding the organization performance of the Faith based healthcare institutions in Meru county.

### **Leadership and organizational performance**

The independent variable reviewed the effect of leadership in strategic planning on performance of faith based healthcare institutions in Meru county Kenya, the respondents were given 6-statements, with the results presented in table 6.

**Table 6: Leadership and organizational performance**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Our leadership team identifies with the organization mission</b>	183	3.99	.74
<b>Leaders in our organization communicate the vision of the organization effectively</b>	183	3.91	.83
<b>Our leadership team ensures that core values are emphasized during strategic planning</b>	183	3.98	.86
<b>Our leadership team ensures the development of a longterm vision of the organization</b>	183	3.98	.85
<b>Our organizational leadership maintains and improves the values of the organization</b>	183	4.02	.90
<b>Our leadership team is sensitive to individual employees needs when making decisions</b>	183	3.74	.97
<b>Leaders in our organization value the contribution of employees to the planning process</b>	183	3.72	1.08
<b>Leaders in our organization encourage the participation of employees in decision-making processes</b>	183	3.68	1.10
<b>Leaders in our organization constantly get creative ideas for solving problems from all organizational members</b>	183	3.84	1.10

Study results in table 6 showed there was agreement that organizational leadership maintains and improves the performance of the organization within the institutions, as indicated by a mean = 4.02. The research noted agreement among respondents that the leadership team identifies with the organization mission (mean = 3.99). The study indicated agreement among participants that the leadership team ensures that core values are emphasized during strategic planning within the organization (mean = 3.98). The respondents also agreed that leaders in

their organizations encourage the participation of employees in decision-making processes (mean = 3.68). The above findings shows agreement that to some extent leadership practices are effected within the faith based healthcare institutions in Meru County. These findings are echoed by Obati, Awino and Ogutu (2018), who revealed that improving communication networks within the firm, clear assigning of responsibilities, and teamwork is vital within the organization. The analysis of the data indicated the respondent's agreement that the leadership team ensures that core values are emphasized during strategic planning. Groyberg *et al.*, (2018) are of a similar view; the top management team should always undertake strategic activities that are core to organization effectiveness such as orientation, teamwork, and designing the core values within the firm.

The participants also agreed that FBHIs leaders ensure the development of a long-term vision of the organization. The findings of the study showed consensus among respondents that organization leadership maintains and improves the values of the organization as well as being sensitive to individual employee's needs when making decisions. The findings are in line with Mwai, Namada, and Katuse (2018), who opined that clear instruction within the firm, the involvement of employees and stakeholders could be critical to the attainment of organization goals. The study also noted that respondents agreed that leaders within the organization value the contribution of employees in the planning process. Kitonga, Bichanga, and Muema (2016) noted that promoting human capital and fostering control within the organization helps drive NPO performance. The results confirmed that leaders in FBHIs encourage the participation of employees in decision-making processes and constantly get creative ideas for solving problems from all organization members. Similarly, Mutole (2019) concluded that delegation of duty, involving employees, advancing and fostering governance within institutions significantly improves organization performance.

### **Inferential Statistics Analysis**

#### **Regression Analysis**

The purpose of the research was to determine the effect of strategic planning drivers on performance of faith based health care institutions in Meru count, Kenya. The study adopted a multiple linear regression analysis, and the results are as indicated in table 7;

**Table 7: Regression Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
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1	.772 <sup>a</sup>	.595	.572	2.06362	2.126
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- a. Predictors: (Constant), Leadership
- b. Dependent Variable: Organization Performance

The research revealed an R-squared value of 0.595, indicating that 59.5% of faith based healthcare institutions organizational performance can be explained by the strategic planning drivers they employ, including leadership, environmental scanning, stakeholder involvement, and the strategy formulation process. Moreover, the findings indicated that 40.5% of organizational performance is influenced by factors that were not specifically examined in this study.

**Table 8: ANOVA Summary**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	538.930	5	107.786	25.311	.000 <sup>b</sup>
	Residual	366.233	179	4.259		
	Total	905.163	183			

- a. Dependent Variable: Organization Performance
- b. Predictors: (Constant), leadership

ANOVA analysis aims to examine the statistical significance of the interaction between the dependent and independent variables in the regression model. The study results showed an  $f$ -calculated = 25.311 >  $F$ - (critical  $f$ ; 1.162). The study also indicated a Sig = .000 < .05. Thus, the research demonstrated a statistically significant and positive relationship between strategic planning drivers and organizational performance of faith based healthcare institutions.

**Table 9: Regression Coefficients Summary**

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.802	2.196		1.276	.205
	Leadership	.208	.115	.292	2.610	.004

#### b. Dependent Variable: Organization Performance

$$Y = 2.802 + .208X1 + 2.196$$

The study yielded a  $\beta_0 = 2.802$  which was not statistically significant  $.205 > .05$ . The study yielded a  $\beta_1 = .208$ , Sig =  $.004 < .05$ . This showed that leadership positively and significantly impacts organizational performance and demonstrated that a unit change in leadership would lead to a .208 change in performance of FBHIs.

#### **Results**

Faith-based healthcare institutions play a crucial role in complementing the government's efforts within the healthcare sector. However, due to the evolving business landscape, these institutions have experienced a decline in performance and the achievement of their projected objectives. The present study aimed to assess the effect of leadership in strategic planning on the performance of faith-based healthcare institutions in Meru County, Kenya. This research employed a quantitative research approach, involving a sample of 205 respondents selected from 23 faith-based healthcare institutions in Meru County. Prior to the main study, a pretest of the research instrument was conducted with 20 randomly chosen participants from faith-based healthcare institutions in Imenti South Sub-County. The research achieved a response rate of 89.3%, which was considered sufficient for quantitative analysis. The findings revealed a consensus among respondents regarding the positive role of organizational leadership in maintaining and enhancing an institution's performance. Participants also agreed that the leadership team is aligned with the organization's mission and ensures that core values are emphasized during the strategic planning process.

#### **Conclusions**

Conclusions showed that strategic planning drivers have a positive and significant relationship with the performance of FBHIs in Meru county Kenya. The study reviewed effect of leadership in strategic planning on performance of faith based healthcare institutions in Meru county Kenya. The regression and correlation results showed a positive and significant effect on performance of FBHIs. The study found that having effective vision and communication, and development of a long-term vision of the organization vital to organization performance.

#### **Recommendations**

Policy-wise, the study recommends that the FBHIs to support individual organizations in developing their strategic planning guidelines. This will ensure that institutions in the sector have uniformity in their execution of strategic planning which can be vital to enhancing

organizational performance. The study also recommends that for policy-improvement all the stakeholders within the FBHIs should be involved in strategic issue planning which assures them of decision-making authority to implement the particular agreed-upon strategies.

### **Suggestions for Further Research**

The research was focused only on FBHIs in Meru county Kenya. To foster the study results' replicability, more comprehensive research should be conducted to review the effects of leadership in strategic planning on other faith based institutions performances in Kenya. The study advocates for more exploration into the influence of internal organization environment on FBHIs performance in other counties in Kenya. This will help in covering other factors that were not incorporated in the current study.

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