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Original Research Article

Influence of Human Capital Development on Service Delivery Among Private Hospitals in Kisumu County

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Abstract

The objective of this study was to evaluate the influence of human capital development on service delivery among private Hospitals in Kisumu County. The study was guided by Resource-Based View and descriptive research design was utilized to collect the data. The target population was 96 participants including hospitals administrators, CEOs, General Managers and one patient from each of the 32 level 4 and 5 private hospitals registered and licenced by KMDPU in Kisumu County. The sample size was 64 hospital administrators were chosen using census sampling. Simple sampling method was used to select the patients. Close ended questionnaires were used to collect the data. Pilot study was conducted in Siaya County targeting 10% of the sample size. Validity was determine using face validity and Cronbach alpha(α) was used to determine instrument's reliability. Analysis of collected data was subjected into descriptive analysis (means, percentages and standard deviation) and inferential statistics (multiple linear regression and correlation). Results indicated a positive but moderate relationship between human capital development and service delivery among private hospitals in Kisumu County ($r=0.527$, $p=0.000$). Further, showed that human capital development had a significant positive effect on service delivery ($\beta = 0.589$, $p < 0.05$). The study recommends that private hospitals in Kisumu County should prioritize continuous human capital development through investing in

regular training, professional development programs, and health and wellness initiatives for their staff. This strategic focus will likely lead to improved service delivery, higher patient satisfaction, and better overall healthcare outcomes.

Keywords: Human Capital Development, Private Hospital, Employee, Service Delivery

Introduction

Strategic business process management in businesses is often characterized by a focus on human capital. Therefore, human capital may be described as the organization's people resources, including its network and database, that are informed, highly competent, and capable. In addition, human capital may relate to a company's intangible assets, namely its workers' knowledge, skills, and competencies (Purnamawati et al. 2022). Other authors describe human capital as a society's ability to convert raw materials and monetary investment into consumer products and services (Li & Qamruzzaman, 2022). Similar to how financial capital is the sum of an organization's assets, human capital is the sum of an organization's workers' knowledge capabilities (Joga & Gavrilă, 2021).

Human capital has been the focus of a large body of research because of the potential impact it has on service delivery inside businesses. Consistent with this is an analysis of the connections between human capital service delivery and the promotion of sustainable growth inside firms conducted by Di Fabio and Peiró (2018). In this study, we used exploratory factor analysis to examine the data. The results of the research stressed the importance of human capital in improving service delivery in businesses. The study, however, neglected to account for the setting of healthcare facilities; hence, the current research looks at the impact of Strategic business process management (SBPM) factors including human capital on the setting of private hospitals in Kisumu County.

The role of SBPM on Iran's healthcare sector was also investigated by Amini and Ahmadi (2021). The study used an exploratory approach; the results showed that HRM practices should be emphasized by holding training and empowerment sessions to greatly affect performance. Human capital's influence on service delivery in the context of private hospitals in Kisumu County will be analyzed here to address a knowledge gap. Khalil, Shah, and Khalil (2021) used the hotel business as a case study to investigate how human capital might facilitate service delivery. The study used a descriptive research approach and structural equation modeling to analyze the collected data. Connections between human resources and service provision were confirmed

On the other side, Dadd and Hinton (2022) performed research to show how human capital investment may lead to improved performance

indicators like investment. Researchers used a case study approach, and their results highlighted the importance of investing in people as a means of increasing ROI. This study fills a knowledge gap by examining the impact of human capital on service delivery within the setting of private hospitals. In the context of Bangladesh's banking industry, Rahman and Akhter (2021) studied the impact that human capital investments might have on productivity. The study used a descriptive research approach, and questionnaires were used to gather primary data. The survey data was analyzed using structural equation modeling. The findings suggest that banks may greatly improve their performance by investing in the training of its workers. This study, however, fills a knowledge vacuum by examining the impact of human capital factors like training and development on service delivery at private hospitals in Kisumu County.

The importance of human resources in the pursuit of actualizing service delivery inside businesses was the subject of a comprehensive study by Bltáková (2021). The findings confirmed the link between human capital and service delivery by showing that human resources have an impact on service delivery inside businesses. This research, however, is narrower in scope, examining the effects of human capital on service delivery in private hospitals in Kisumu County. Competence and expertise are two aspects of human capital that have been shown in past research to affect organizational performance.

Theoretical Review

Resource Based View Theory (RBV)

The Resource-Based View (RBV) theory aims to explain why firms grow and diversify. Originating from Penrose's (1959) work, the theory highlights unused managerial resources as key drivers of growth, acknowledging that these resources also limit the extent of a firm's expansion. This concept was further developed in the 1970s and early 1980s, coinciding with significant diversification and firm growth (Xie, 2021).

RBV emphasizes the importance of firm-specific resources that hold value in a firm's market and are hard for competitors to replicate (Wernerfelt 1984). These resources include managerial skills, customer relationships, brand reputation, and specialized manufacturing knowledge. Unlike competencies or capabilities, the firm's access to and ability to combine these resources determine its competence in specific product areas. Resources gathered for one business may be applicable to other markets, though not uniformly. Over time, some resources will maintain excess capacities, as their operational requirements vary across different fields.

The RBV theory offers a perspective through which hospitals can assess and enhance their internal resources and capabilities to have a positive impact on service delivery. Through strategically aligning their resources with their service delivery goals, hospitals can create a sustainable competitive advantage that results in improved patient care, operational efficiency, and overall success in the healthcare industry.

Conceptual Framework

The term "conceptual framework" is used to describe a set of ideas that function together to explain a phenomenon in its whole (Mensah et al., 2020), such the one illustrated in figure 1 below:

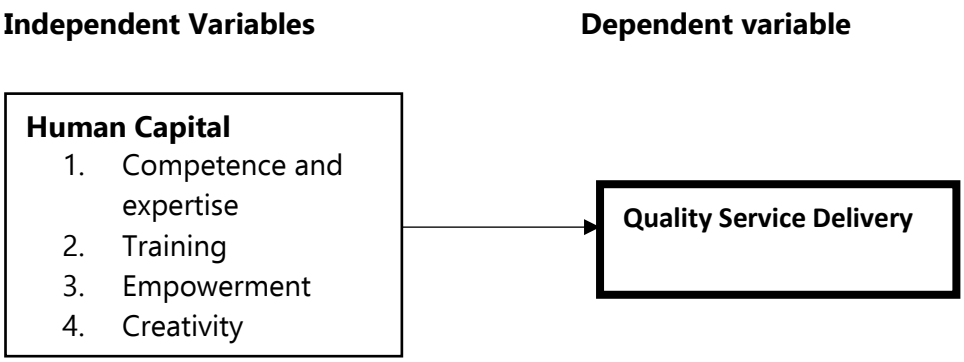

Figure 1: Conceptual framework
Source: Researcher Own Conceptualization, 2023

As shown in Figure 1, the independent variable Human Capital was measured by competence and expertise, Training, Empowerment and Creativity.

Methodology

A descriptive design was used for this investigation. The goal of a descriptive study is to collect accurate data about the present state of a problem or phenomena so that, if feasible, broad conclusions may be drawn from the data. The study was conducted in Kisumu County, one of Kenya's 47 counties, located in the western region and headquartered in Kisumu City, the third-largest city in Kenya. Home to 1,155,574 people as of the 2019 census, Kisumu County spans 2085.9 km^2 and borders several other counties. It includes parts of the Winam Gulf and Lake Victoria's coast. The county has a robust healthcare system with one major medical facility, five county referral hospitals, fourteen smaller hospitals, seventy-four health clinics, and eighteen health centers. Despite having a decentralized administration, the county

government ensures healthcare access, as mandated by Kenya's 2010 Constitution. Kisumu faces health challenges such as high infant mortality (95 per 1,000 live births), a child mortality rate of 149 per 1,000, a maternal death rate of 590 per 100,000 births, prevalent malaria, and a high but stabilized HIV infection rate (19.0%). Key hospitals include Kisumu County Referral Hospital, Aga Khan Hospital Kisumu, and Jaramogi Oginga Odinga Teaching and Referral Hospital. Additionally, Kisumu hosts CDC-supported research facilities focusing on HIV/AIDS and malaria.

The study targeted 32 selected accredited level 4 and 5 private hospitals in Kisumu County registered and licensed by Kenya Medical and Dentist Board by 2023 and have comprehensive inpatient and outpatient services. The unit of inquiry was hospitals administrators who include chief executive officers and general managers. General managers are in charge of hospitals and/or clinics depending the set-up of hospital management team. Lastly, the study targeted patient Services Manager who focuses on improving patient experience and satisfaction, handling patient inquiries, and managing the front desk and admissions. The study also targeted one patient per hospital to give his/her views on service delivery. Therefore, the total target population was 96 as shown in Table 1.

Table 1: Target Population

Strata	**Respondents**
Medical Superintendents/Medical Directors	32
Hospital Administrators/Chief Executive Officer (CEO)	32
Patient Services Manager/Patient Experience Manager	32
Total	**96**

Source: Respective HRM Departments (2023)

Employing a census sampling strategy, we were able to collect data from 96 participants. Due to the very small size of the population of interest, a census sampling method was used; this method is recommended by Mugenda & Mugenda (2008) for populations of 1 to 100. The sample size was set at 100%. Census sampling was applied to hospital administrators while simple random sampling was applied to patients. Data was collected using structure questionnaires. Piloting was conducted in Siaya County targeting 10% of the sample size. This implies that 10 respondents were sampled from 2 private hospitals in Siaya County. Validity was determine using face validity and Cronbach alpha(α) was used to determine instrument's reliability. Analysis of collected data was subjected into descriptive analysis (means, percentages and standard deviation) and inferential statistics (multiple linear regression and correlation).

Consent for inclusion in the investigation was obtained from all participants based on their own free will and after thorough explanation of the potential benefits and risks of taking part.

The multiple linear regression model used was;

$Y=\beta_0+\beta_1 X_{1+}\varepsilon$

Where;

Y= Service Delivery of Private Hospitals in Kisumu, County

Then followed by

$\beta_1\ \beta_2\ \beta_3\ \beta_4$ = Regression co-efficient

$X_{1=}$ Human Capital Development

ε=Error term

Results and discussion

Descriptive Statistics of Human Capital Development on Service delivery

Descriptive results entailed minimum, maximum, mean and standard deviation of six observable variables that ultimately measured human capital development.

Table 2: Descriptive Statistics of Human capital development on Service delivery

Human capital development	N	Min	Max	Mean	Standard Dev.
The employees are given training and development opportunities to improve their capacity	75	1.0	5.0	3.867	1.4174
The hospital management provides empowerment opportunities for the employees	75	1.0	5.0	3.413	1.0539
I have confidence that the capacity of human capital in this organization can influence its service delivery	75	1.0	5.0	3.800	1.0000
The expertise of the human capital has always been a priority during recruitment	75	1.0	5.0	3.653	1.0966
The level of competence of the employees is critical in ensuring service delivery in this hospital	75	1.0	5.0	3.733	1.1429

The creativity of the employees has always been encouraged by management in this organization	75	1.0	5.0	4.093	.9750

Source: Field data, 2023

From Table 2, the question on the employees are given training and development opportunities to improve their capacity had responses that ranged from 1(strongly disagree) to 5 (strongly agree) with a mean of 3.867 and standard deviation of 1.4174. This implies that the employees are given training and development opportunities to improve their capacity although with significant deviation. However, the hospital management provides partially empowerment opportunities for the employees as indicated by a mean of 3.413 and a significant standard deviation of 1.0539. The responses ranged from strongly disagree to strongly agree.

The findings also showed that the respondents have confidence that the capacity of human capital in this organization can influence its service delivery shown by average 3.60 and standard deviation 1.000. The answers varied from very disagreeable (1) to extremely acceptable (1). The results also showed that the expertise of the human capital has always been a priority during recruitment demonstrated by an average of 3.653 and a meaningful standard deviation of 1.0966.

The question on the level of competence of the employees is critical in ensuring service delivery in this hospital had responses that ranged from 1(strongly disagree) to 5 (strongly agree) with a mean of 3.733 and standard deviation of 1.1429. This implies that the level of competence of the employees is critical in ensuring service delivery in this hospital although with significant deviation. Lastly, the creativity of the employees has always been encouraged by management in this organization as indicated by a mean of 4.093 and standard deviation of .9750. The responses ranged from strongly disagree to strongly agree.

The outcome are in line with Dadd and Hinton (2022) who performed research to show how human capital investment may lead to improved performance indicators like investment. Researchers used a case study approach, and their results highlighted the importance of investing in people as a means of increasing ROI. Rahman and Akhter (2021) studied the impact that human capital investments might have on productivity. The findings suggest that banks may greatly improve their performance by investing in the training of its workers.

Effect of Human capital development on Service delivery

Understanding the impact of human capital development on service delivery is key for enhancing healthcare outcomes in private hospitals. The following table 3 presents key findings on the effect of human capital development on service delivery.

Table 3: Regression Results of Human capital development and Service delivery

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change
1	.527[a]	.278	.268	.68633	.278	28.134	1	73	.000

a. Predictors: (Constant), human capital development

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.252	1	13.252	28.134	.000[b]
	Residual	34.387	73	.471		
	Total	47.639	74			

a. Dependent Variable: service delivery

b. Predictors: (Constant), human capital development

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.514	.425		3.560	.001
	PCP	.589	.111	.527	5.304	.000

a. Dependent Variable: service delivery

Source: Field data, 2023

The results demonstrated that there was a statistically significant positive relationship between human capital development and service delivery among private hospitals in Kisumu County (R=0.527). Human capital development accounted for 27.8% (R^2 = 0.278) variations in the service delivery among private hospitals in Kisumu County. Therefore, Human capital development is a significant predicator of service delivery among private hospitals in Kisumu County.

Regression results were achieved when latent variable of human capital development was regressed with latent variable of service delivery among private hospitals in Kisumu County and the results are as shown in Table 3. Results show that human capital development had a positive, linear and significant (p-value is less than 0.05) association with the service delivery among private hospitals in Kisumu County {regression coefficient, B=0.589,

beta coefficient=0.527, ANOVA, F=28.134and t-test value, t=5.304}. The results are represented in the following model:

$Y = \beta 0 + \beta_3 X_3 + \varepsilon$

Where Y= service delivery,

β_0= 0.514(constant)

β_3= 0.589

X_3= Human capital development

Substituting equation above with values, the model becomes: $Y= 0.514+ 0.589X_3+\varepsilon$

From the above model, the constant had coefficient of 0.514, p=0.000, this implies that in the absence of human capital development, service delivery would be positively at 1.016. this service delivery among private hospitals in Kisumu County would be significant (P<0.05). Further, human capital development had beta coefficient of 0.589, P=0.000. This implies when everything is held constant, a unit increase in the human capital development would results to a significant increase service delivery among private hospitals in Kisumu County by 58.9%.These results are supported by other previous researchers, Amini and Ahmadi (2021) showed that HRM practices should be emphasized by holding training and empowerment sessions to greatly affect performance. Shah, and Khalil (2021) used the hotel business as a case study to investigate how human capital might facilitate service delivery. The study used a descriptive research approach and structural equation modeling to analyze the collected data. Connections between human resources and service provision were confirmed.

Correlation between Human Resource Development and Service delivery

A correlation analysis was carried out to determine the relationship between human capital development and service delivery and table 4 summarizes the results.

Table 4: Correlation Matrix

		Human capital development
Human capital development	Pearson Correlation	1
	Sig. (2-tailed)	
	N	75
Service delivery	Pearson Correlation	.527**
	Sig. (2-tailed)	.000
	N	75

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Field data, 2023

The results indicated that the relationship between human capital development and service delivery was positive and significant (r =.527, p=0.000). This implies that as human capital development increases, so does the quality of service delivery.

Conclusion and recommendation

Results established that an increase in human capital development would results to a significant increase in service delivery among private hospitals in Kisumu County. This suggests that investments in human capital, such as staff training and development, directly improve the quality of care provided to patients. This improvement can manifest in various ways, including more accurate diagnoses, better patient management, and more effective treatments. On the other hand, there exists a positive and significant relationship between human capital development and service delivery among private hospitals in Kisumu County. This implies that increase in human capital development would result to increase in service delivery among private hospitals in Kisumu County.

The study recommends that private hospitals in Kisumu County should prioritize continuous human capital development through investing in regular training, professional development programs, and health and wellness initiatives for their staff. This strategic focus will likely lead to improved service delivery, higher patient satisfaction, and better overall healthcare outcomes.

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