Outreach Strategies and National Hospital Insurance Fund Performance in Kenya

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Abstract: Strategies are plans of action that are essential elements in enhancing organizational performance, furthermore outreach strategies are means and ways by which important information are disseminated to the stakeholders so as to enhance the delivery of services. On the other hand, NHIF outreach strategy has rendered the insurance cover inaccessible and unaffordable to many of its stakeholders. This study therefore sought to investigate the effect of outreach strategies on organizational performance of National Hospital Insurance Fund in Kenya. In order to achieve this, the study followed a survey research design and targeted 52212 mukuru Kwa njenga slum residents. A sample size of 397 was picked through convenient sampling. The study utilized questionnaires to collect data. The data was analyzed by descriptive and inferential statistics. Descriptive statistics was used to estimate the magnitude of the outreach strategies. Pearson correlation and regression analysis were used to estimate the relationship between outreach strategies and National Hospital Insurance Fund performance. The study established that awareness, accessibility and affordability strategies have a positive effect on the performance of National Hospital Insurance Fund. The study recommends that National Hospital Insurance Fund should make their services more affordable by coming up with more flexible incentive and friendlier mode of payment to motivate more people to take up insurance products, cost should be reduced to reach out to the low-income earners especially in the slums. It is also recommended that National Hospital Insurance Fund should get involved in more marketing of their services and should offer accreditation to more health institutions such locally registered health facilities that operate in the slums so as increase accessibility of the National Hospital Insurance Fund services. Such measures will help in increasing distribution centers in the area and consequently many eligible National Hospital Insurance Fund card holders could easily access and use their cards without having to travel long distances. Such strategies could also attract potential future members.

Keywords: Affordability, Accessibility, Awareness, Outreach strategies, organization performance

1. INTRODUCTION

In the modern world, strategies have become essential measures in enhancing the operations of organizations so as to improve organizational performance (Bosman, 2017). Strategy generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions. A strategy describes how the ends goals will be achieved by the means resources (Kono, 2016). The senior leadership of an organization is generally tasked with determining strategy. Strategy can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes. It involves activities such as strategic planning and strategic thinking. Therefore, organizational performance is determined by the effect of the strategies on organizational operations.

Zieling, Mahayni and Balder (2014) defines outreach strategies as a means and ways by which important information are disseminated to the public so as to enhance the delivery of services. Basically organizational outreach strategy should be based on increasing awareness to the targeted group or party. In order to promote outreach efforts, one should understand how community needs and trends affect the services delivered. This information contributes to the overall success of an organization’s outreach strategy (Adei, Mireku & Sarfo, 2015). An evaluation process can also help in providing the baseline rationale for creating new programs and eliminating duplication of services and programs and this could help in improving performance.

In Africa, there has been a general trend in health care financing that started with provision of free access to healthcare, cost sharing phase and finally the introduction of government run health insurance scheme (Franklin, 2010). However, the ever surging population has resulted to re-strategizing of the various governments led insurance institutions to conform to the population demand. Amongst the African countries that have enacted a government run health insurance fund include Nigeria which established the National Health Insurance Services (NHIS) in 1999 but has so far faced outreach strategic challenges which adversely affected their performance (Adei, Mireku & Sarfo, 2015). Tanzania have NHIF which was established in 1999 which has been successful, however, the surge in population has lowered the uptake of the services.

In Kenya, it is reported that in spite of the fact that access to quality healthcare is enshrined in the constitution, millions of citizens are not able to afford health services due to the lack of awareness, high cost of insurance products, poor education background and distance covered to access the services. According to the World Bank Report on Improving Healthcare for Kenya’s Poor, though public health insurance was incepted...
about half a century (1966) ago, about 80% of the populace which is equivalent to more than 35 million Kenyans lack health insurance cover (World Bank, 2014). The foregoing situation underscores the necessity and importance of the insurance coverage subsidized by the government. One of the major initiatives to this effect is the Health Insurance Subsidy Program (HISP) launched by the Kenya government in early 2014. The initiative extends financial risk protection to the poorest in the society by availing to them a health insurance subsidy covering both inpatient and outpatient care in public and private health outlets in the country (Karanja, 2014).

However, few people are registered as members of the fund and this has again raised the question whether the performance of the public health insurance provider has been impressive (Okungu, Chuma & McIntyre, 2017).

**Outreach Strategies**

In order to produce a coherent outreach strategy, there should be collaboration from all the stakeholders involved in the mission (Ailawadi, Beauchamp, Donthu, Gauri & Shankar, 2013). This greatly helps in embracing each and every individual’s view and opinion and reduces the aspect of hitting a dead end even with good strategies in place. Outreach is therefore pegged on proper community assessment.

Thomas, Blattberg and Fox (2014) argues that community assessment helps in promoting overall outreach efforts by mapping trends, getting to know key players in the public or community, and collecting information about other services that are available. The assessment process can be a good opportunity to showcase organizational efforts in its programs in order to provide services. This goes a long way in cementing trust within the community and could help in improving their uptake of insurance services. A community assessment will also be essential in understanding community strengths in as far as economic and education status is concerned.

In order to enhance outreach strategy, the service provider should demonstrate professionalism implying that outreach strategy on insurance products must be high-quality and must be attractive. Secondly, appropriate budget should be allocated in order to enhance outreach campaigns. The outreach strategy should also entail effective communication and skilful approach so that audiences are given information that interests them, not telling them what you think they should know (Owusu, Ackar & Rob, 2013).

**NHIF in Kenya**

The NHIF’s current strategy aims at increasing registration of the public considerably (NHIF, 2012). The current package therefore of 160 KSH per family per month would seem likely to attract more workers. However, only a few have been able to register as members of the insurance fund. In spite of the fact that NHIF has been being tipped as the cheapest scheme that could salvage the citizens against the ever exorbitant medical expenses, the scheme has hitherto registered very few members and has been notably viewed by many Kenyans as a scheme that is meant for the employed especially in the formal sector (Karanja, 2014). This perception has compelled many citizens to suffer solely with the burden of footing the ever high medical bills many of them from private providers which are also deemed to be a preserve for a few.

To make matters worse, the burden of footing for medical bills has made them even more vulnerable to various diseases because most of the citizens cannot afford the expensive services from other insurance health providers (Thomas, Blattberg & Fox, 2014). Coupled with the high despondency as a result of high level poverty that has continued to bedeviled the country, settling of hospital bills indeed has become a problem for many patients who cannot or do not have insurance covers. This calls for family members to organize for fundraising or sell home property to clear the hospital bill. For those who may be unfortunate enough they overstay in the hospital to wait for hospital waiver system to waive them.

According to Magaiga (2012), the outreach strategy that has been applied by NHIF has also rendered the insurance cover inaccessible. Kane (2017) also argues that affordability of the services by NHIF has of course kept many of the citizens out of the scheme. The poor performance of the public insurance provider (NHIF) in the country has also been attributed to poor outreach strategies with respect to lack of adequate knowledge, education and awareness (Ailawadi, Beauchamp, Donthu, Gauri & Shankar, 2013) which has, therefore, led to a research gap. This study is, therefore, timely as it aimed bridging the aforementioned gaps by investigating the effect of outreach strategies on organizational performance. The aim of this study therefore was to investigate the effect of outreach strategy on NHIF performance in Kenya.
Conceptual Framework

Figure 1: Conceptual Framework

The conceptual framework indicates that awareness was measured by knowledge of services of the products and services by consumers which can then lead to improved organizational performance as measured by customer base. The framework also shows that affordability which was measured by affordable market prices for products can lead improved organizational performance as measured by satisfied customers. It again indicates that accessibility was measured by adequate channels to provide insurance services so as to improve organizational performance.

II. RESEARCH METHODOLOGY

Research Design

Survey research design was used. This design was appropriate because the researcher intended to collect data using questionnaire; survey generally use questionaries and interviews to collect data. In addition, according to Bryman and Bell (2015) survey design is concerned with finding out who, what where, when and how. This study was interested in establishing how awareness, affordability and accessibility affects performance at NHIF, as such the research adopted a survey design. Creswell (2013) adds that survey design is efficient method of collecting descriptive data regarding current practices, conditions and needs of a population. Therefore, survey design enabled the researcher to summarize data in a meaningful way and be able to describe the existing relationship effectively.

Target Population

This study targeted Mukuru Kwa Njenga residents. According to UN Habitat report (2017) there are 52,212 adults living in Mukuru Kwa Njenga slums.

Sample Size and Sampling Procedures

The study used convenient sampling technique to get appropriate sample size for each department. In this sampling technique, each individual was chosen randomly and entirely by chance such that each individual in the target population had the same probability of being chosen at any stage during the sampling process (Dull & Hak, 2015). The study used simple random sampling mainly because it needed only a minimum knowledge of the study group of population in advance; it is free from errors in classification and also suitable for data analysis which includes the use of inferential statistics. The fact that simple random sampling is totally free from bias and prejudice and simple to use made it the preferred sampling technique that was suitable for the current study.

Using Yamane (1967) formula; \( n = \frac{N}{1+N(e)^2} \)

\( n = \frac{52,212}{1+52,212 (0.05)^2} \)

\( n = 397 \)

Where \( N \) is the population size; \( n \) is the sample size; and \( e \) is the level of precision (Yamane, 1967). A precision level of 5% was assumed for the survey; the sample size was, therefore, 397 respondents.

Data Collection Instruments

The study utilized one set of constructed questionnaires to gather information from the target population The study used questionnaires as the preferred data collection tool because; first it assisted the researcher to gather information from the large population and diverse regions within a short time and the fact that they were less expensive; secondly, questionnaires also gave the respondents an element of privacy when they express themselves as suggested by (Saunders, 2011). A questionnaire was handed out to certain targets or segments of people to gather data and information desired.
Data analysis

Validity of Research Instruments

Miller and Salkind (2014) hypothesize that validity refers to accuracy, thus a valid measure is one that yields correct estimates of what is being assessed. In order to ascertain the validity of the research instruments, the researcher made sure that criterion validity that is based on external criterion was achieved. This was determined by comparing test scores with one or more independent criteria. The researcher also bore in mind the construct validity which was based on the logistical relationship among variables. This ensured that the instrument provides a reasonable, adequate and representative sample of responses that will be considered to comprise the domain the test is meant to cover. Construct validity relates to how well the results that were obtained from the use of the measure fit the theories around which the test was designed for. The aforementioned pre-test mechanisms of the research instrument helped to clarify the wording and grammar of the instrument so as to remove any ambiguity, detect biased questions and pick out in advance any problems in the methods of research. The University supervisors who are experts in the area of research were consulted by the researcher. This was done to determine whether the instruments cover a representative sample of the behavior domain that was to be measured. The validation of content through competent judgment is satisfactory when the sampling of items is wide and judicious.

Reliability of Research Instruments

To achieve this, reliability analysis was done using Cronbach’s Alpha of Coefficient as the measure. This process assisted in addressing any weaknesses with the questionnaire and the general survey technique of the research. Improvements and editing was then made on both the structure and content of the research tool to help increase internal consistency. According to Mugenda and Mugenda (2006), a reliability coefficient of 0.5 to 0.8 is satisfactory for data analysis process as suggested by Kirk and Miller (2016).

Data Analysis Procedures

The collected data was cleaned and edited to remove any errors. The cleaned items were then coded and entered into software for data analysis purposes. The Statistical Package for the Social Science (SPSS) version 20 was used to analyze, compute and present the findings of the research. The data was analyzed using descriptive statistics and inferential statistics. Pearson correlations analysis was used to estimate the association of the variables.

The following regression model was used to estimate the effect of the outreach strategies on the NHIF performance.

\[ Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon \]

Where,
- \( Y \) = NHIF performance
- \( X_1 \) = Awareness
- \( X_2 \) = Affordability
- \( X_3 \) = Accessibility

And \( \beta s \) are the coefficient of the regression model.

III. ANALYSIS OF THE RESULTS

Quantitative descriptive statistics

To obtain demographic information regarding respondents, they were asked to state their gender, age category, occupation, marital status and level of education as shown in Table 1.

<table>
<thead>
<tr>
<th>Personal Information</th>
<th>Categories</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td>18-25 Years</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>26-35 Years</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>36-45 Years</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>46-55 years</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Above 55 years</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Occupation</td>
<td>Salaried worker</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Wage labor</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Self employed</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Unemployed</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Retired</td>
<td>7</td>
</tr>
</tbody>
</table>
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The results show that awareness has a positive correlation of 0.020 with affordability but statistically insignificant to each other at 0.772. The study also found that awareness has a negative correlation of -0.416 with accessibility but significantly related to each other at 0.042. The study also found that awareness had a positive correlation of 0.436 with organizational performance and also significantly related at 0.032. In support, Howard and James (2013) study in India found that awareness has significant positive relationship with the uptake of insurance services.

The study established that affordability had a positive correlation of 0.103 with accessibility and also insignificantly related at 0.127 with each other. The study again found that affordability was positively correlated with organizational performance at 0.371 and also significantly related to one another at 0.019. In agreement, Gourville and Bertini (2012) states that affordability of insurance products has direct relationship with the quest to consume insurance products and consequently organizational performance.

Finally the study found that accessibility was positively correlated with organizational performance at 0.290 and also the two variables had statistical relationship with each other at 0.019. The results could be interpreted to mean that all the independent variables (awareness, affordability and accessibility) had a positive statistical relationship with organizational performance. The results are supported by another study carried out by Cohen and Martinez (2014) that found that awareness campaigns, cost of the insurance products and access of products have statistical positive relationship with the performance of organizations in Turkey.

**Multiple Regression model**

The findings from the regression model are as indicated below

**Table 6: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.741a</td>
<td>.549</td>
<td>.542</td>
<td>3.53278</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Accessibility, Affordability, Awareness

Table 4.6 shows that the coefficient of correlation is 0.741 which meant that 74.1% of the variation in organizational performance is well described by independent variables. This therefore, means that there exists a positive relationship between the independent and dependent variables. The remaining 25.9% can be explained by other variables which were not part of the current study. The study also realized a high R square and adjusted R which is an indication that there exist high variations that can be explained by the model. The findings are supported by Ebenezer and Anthony (2014) study that found that awareness and affordability had positive relationship with the performance of insurance firms in Ghana.

**Table 4.8: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>3261.407</td>
<td>3</td>
<td>1087.136</td>
<td>87.107</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>2683.314</td>
<td>215</td>
<td>12.481</td>
<td>1.159</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5944.721</td>
<td>218</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational performance  
b. Predictors: (Constant), Accessibility, Affordability, Awareness

In order to determine whether the regression model was a good fit for the data, the study tested ANOVA. The ANOVA results in table 4.7 showed that the significance of the F statistics is 0.023 which is less than 0.05 which means that there is a significant relationship between awareness, affordability, accessibility and organizational performance. The results were supported by Freeman and Zang (2011) in their study in Akatsi district in Ghana who found that pocket friendly insurance costs, accessibility, awareness and attitude do have significant relationship with performance of insurance firms in the country.

**Table 4.9: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B: 13.069</td>
<td>Std. Error: 3.448</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affordability</td>
<td>.609</td>
<td>.093</td>
<td>.304</td>
</tr>
<tr>
<td></td>
<td>Accessibility</td>
<td>1.159</td>
<td>.111</td>
<td>.528</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational performance

The coefficient results in table 4.7, found that the unstandardized coefficient B of awareness was 1.215 with a p value of 0.011 an indication that a unit increase in awareness leads to an increase in organizational performance. The study also found that the unstandardized coefficient B of affordability was 0.609 with a p value of 0.041 which is an indication that a unit increase in affordability could lead to an increase in
organizational performance. The study also found that the unstandardized coefficient B of accessibility was 1.159 with a p value of 0.026 which is an indication that a unit increase in accessibility could lead to an increase in organizational performance. From the findings it can be said an increase by any value in all the independent variables could to an increase in the uptake of NHIF products vis-à-vis organizational performance. The results are supported by another study carried out by Logan and William (2002) who found that increase in awareness of insurance products and service, enhanced access of insurance products and affordable cost of products and services promotes the financial performance of insurance companies in Europe.

IV. CONCLUSIONS

The study concluded that awareness has positive effect on the performance of National Hospital Fund in Mukuru Kwa Njenga slum and the results were also supported by both correlation and regression analyses that found statistical positive relationship between awareness and organizational performance. This was attributed to the fact that there was use of community based organizations to educate the people on the significance insurance fund, local government leaders were always involved in promoting awareness and the National Hospital Insurance Fund team has been holding seminars to enlighten the public on the significance of enrolling into the scheme. However, respondents disagreed that there has been intense and regular door to door awareness campaigns in the area. The study concludes that affordability had positive effect on the performance of National Hospital Insurance Fund in the slum. The descriptive results were also supported by correlation and multiple regression analyses that established significant positive relationship between affordability and organizational performance. The fact that most respondents agreed that they are aware that some people are not registered National Hospital Insurance Fund members due to costs, that many of their friends says that the monthly charges are unfriendly to their economic status, that most of people says that frequency of payment of premium should be subsidized to favor their economic status, that many people are not National Hospital Insurance Fund card holders, that mode of payment of premium is not reasonable and friendly and that most of their neighbors had not enrolled into the scheme due to reduced administrative costs is an indicator that the scheme is still viewed as unaffordable by many.

The study established that accessibility had affected organizational performance positively. The descriptive statistics findings are also corroborated by the correlation and regression results that established that increase in accessibility could lead to an increase in organizational performance. This was affirmed by the agreement that distribution channels in the area have in the recent past been improved to enhance delivery of services, the government has built more facilities in the slums to bring National Hospital Insurance Fund services closer to them and that the government has contracted private facilities in the area to enhance the use of insurance products. However, the fact that many people still have to move quite some distances in order to access the services and that National Hospital Insurance Fund facilities are still not strategically situated in the area to promote access of the services hampered the delivery of services.

Recommendations

The study recommends that in order to enhance awareness of National Hospital Insurance Fund scheme, different mechanisms such as mass media and public forums like public meeting places, road shows, churches and hospitals, intensive and regular door to door campaigns can be employed by the government and other stakeholders so as to sensitize and raise awareness about the National Hospital Insurance Fund scheme.

The study recommends that more affordable products’ cost should be introduced to reach out to the low-income earners especially in the slums. The Government should also come up with more a much more flexible incentive and friendlier mode of payment to motivate more people to take up insurance products. Such measures will go a long way in reducing insurance costs so as meet the economic status of the slum dwellers. The activities in the slum are also associated with low inadequate income which reinforces poverty and presents a challenge in incorporating them as members in National Hospital Insurance Fund scheme and requires innovative approaches which will cater for their specific needs in as far as National Hospital Insurance Fund pricing is concerned.

The study recommends that National Hospital Insurance Fund should offer accreditation to more health institutions such locally registered health facilities that operate in the slums so as increase accessibility of the National Hospital Insurance Fund services. Such measures will help in increasing distribution centers in the area and consequently many eligible National Hospital Insurance Fund card holders could easily access and use their cards without having to travel long distances. Such strategies could also attract potential future members who could feel motivated to enroll into National Hospital Insurance Fund scheme.

Areas for Further Research

The aim of the study was to investigate the effect of outreach strategy on organizational performance: A case of National Hospital Insurance Fund in Kenya. The study recommends that a future research should be carried on specific strategies such planning strategies so as to deeply understand its effect on overall organizational performance (NHIF). A future research can also be carried with the aim of investing the relationship between consumer attitude and the uptake of insurance products in Kenya.
V. REFERENCES


