

DECENTRALIZED GOVERNANCE AND SERVICE DELIVERY OF DEVOLVED COUNTY UNITS IN NYERI COUNTY, KENYA

¹JANE WAIHUINI NJOROGI, ²DR. SAMSON NYANG'AU PAUL

Abstract: Devolution is the strongest form of governance decentralization. Devolution involves rescaling of responsibilities or powers from the national to the regional political organization. The actual form and politics of such rescaling will vary substantially between states, however, amounting to a radical transfer of powers and resources in some cases and a more modest and rhetorical shift of responsibility and service delivery in others. The conceptual scope of this study was limited to four governance structures variables namely financial decentralization, administrative decentralization, political decentralization and citizen participation. This study targeted staff of Nyeri County and compose of senior managers, middle level managers and operational staff. The study will employ descriptive survey design. The researcher used questionnaires as research instruments to collect data to the study. The study adopted both primary and secondary data analysis research design. Primary data was collected using semi structured questionnaires containing both closed and open-ended questions to allow variety. The quantitative data was analyzed using descriptive statistics. In addition, the study used multiple regression analysis to analyze the data. The study concluded that administration decentralization has a significant and a positive effect on county funds management in Kenya. The study further concluded that political decentralization has a significant and a positive effect on county funds management in Kenya. The study also concluded that financial decentralization had significant and a positive effect on county funds management in Kenya. The study finally concluded that Citizen Participation had a significant and positive effect on the county funds management in Kenya. The study recommended that the government should increase county government autonomy to promote administrative decentralization. The study also recommended that national and county governments should put in place measures to safeguard the independence of political decentralization. The study further recommended that national and county governments should put in place a set of deliberate and proactive processes, policies and structures that support financial decentralization. Finally, the study recommended that county governments should improve citizen participation practices to ensure citizen involvement in governance.

Keywords: administration decentralization, political decentralization, financial decentralization and public participation.

1. INTRODUCTION

Devolution is the strongest form of governance decentralization (Olatona&Olomola, 2015). Devolution involves rescaling of responsibilities or powers from the national to the regional political organization (Lobao, Martin, &Rodríguez-Pose, 2009). The actual form and politics of such rescaling will vary substantially between states, however, amounting to a radical transfer of powers and resources in some cases and a more modest and rhetorical shift of responsibility and service delivery in others (Cox, 2009).

Statement of the problem

The change of system of governance in Kenya since promulgation of new constitution led to decentralization of certain government functions to county level, as outlined in Kenya constitution 2010 schedule 4. Some of the decentralized functions include education, health, agriculture, Public works and services among others. Lubale (2012) observes that,

county governments and their agencies have the responsibility of delivering services within their designated area of jurisdiction, while observing the principles of equity, efficiency, accessibility, non-discrimination, transparency, accountability, sharing of data and information, and subsidiarity. So far, county governments in Kenya are still grappling with challenges of service delivery on the decentralized functions. A report by Kenya Institute for Public Policy Research and Analysis (KIPPRA) in 2013 highlights key sectors like infrastructure, health, water and sanitation, education among others have faced challenges in their performance. Survey done by Transparency international (TI) (2017) reported that 41% of Kenyans were not satisfied with the performance of their county governments in service delivery.

Various studies on decentralization and performance of county governments have been conducted locally. Some include; Wamae, (2014) who studied role of procurement function in enhancing performance in devolved government. Mugambi and Theuri (2014) studied challenges encountered by devolved governments in Kenya in budget-preparations. Muriu R. (2012) did a study on the nature and influence of citizen participation on decentralized service delivery in Kenya. Gathuya (2010) conducted a survey of factors that influence local authority's County devolved units' funds of City Council of Nairobi. Lawson (2012) in a study Commissioned by Sida, Danida and AfDB did an evaluation of County devolved unit's funds in Burkina Faso, Ghana and Malawi for a period between 2001 and 2010.

These studies however focused narrowly on the subject of decentralizing functions and their effect on performance of county governments. They dwelt on single function or variable which cannot be taken as representative of the overall performance measurement. There is still a gap in knowledge that has to be filled in view of the performance of county governments in Kenya based on the decentralized operations. This research will endeavor to explore this subject, in particular the way county 47 governments in Kenya have performed of the decentralized functions. The research question will be, "how has decentralized governance influenced service delivery of services of devolved units in Kenya?"

Objectives

- i. To establish the influence of administration decentralization on the service delivery of devolved units in Kenya
- ii. To determine the effect of political decentralization on the service delivery of devolved units in Kenya
- iii. To find out the effect of financial decentralization on the service delivery of devolved units in Kenya
- iv. To investigate the effect of public participation on the service delivery of devolved units in Kenya

2. THEORETICAL REVIEW

Souffle Theory

The Soufflé Theory was proposed by (Parker, 1995) who postulates that the element of decentralization is administrative decentralization. Parker (1995) emphasized that decentralization is a multi-dimensional process that proceeds with successes and setbacks. The theory argues that like a Soufflé that needs just the right combination of milk, eggs, and heat to rise, a successful program of decentralization must include the right combination of institutional elements to improve rural development outcomes (Farooq, Shamail, & Awais, 2008; Laryea-Adjei, 2006). Decentralization initiatives will therefore be subject to a continuous process of modification reflecting changes in social, political and economic conditions (Laryea-Adjei, 2006). There is therefore the need to include all dimensions of administrative decentralization. Parker suggests a conceptual model, the soufflé theory, which incorporates the essential elements of political, fiscal, and administrative decentralization as they combine to realize desired outcomes.

Agency Theory

Agency theory is concerned with agency relationships. The two parties have an agency relationship when they cooperate and engage in an association wherein one party (the principal) delegates decisions and/or work to another (an agent) to act on its behalf (Eisenhardt 2009; Rungtusanatham et al., 2007). The important assumptions underlying agency theory is that; potential goal conflicts exist between principals and agents; each party acts in its own self-interest; information asymmetry frequently exists between principals and agents; agents are more risk averse than the principal; and efficiency is the effectiveness criterion

The Sequential Theory of decentralization

The Sequential Theory of decentralization was proposed by Falleti (2004). The theory contends that decentralization is a set of state reforms. As such, decentralization does not include transfers of authority to non-state actors. Akorsu (2015) cited Falleti (2004) and noted decentralization reforms may take place in authoritarian as well as democratic contexts,

which means that the concepts of decentralization and democratization should not be conflated. Notably, (Falleti, 2004; Falleti, 2005) opined that sequential theory of decentralization classifies territorial decentralization into fiscal dimensions. Awortwi (2011) avers that Falleti's sequential theory of decentralization is based on three propositions: First, Institutional design of decentralization policies is highly dependent on when those policies take place within the sequence of reforms.

Stakeholders Theory

This theory was proposed by Freeman in 1984. The general idea of the stakeholder concept is a redefinition of the organization. In general, the concept is about what the organization would be and how it should be conceptualized. Friedman (2006), states that the organization itself should be thought of as a grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. This stakeholder management is thought to be fulfilled by the management of the organization. The managers should on one hand manage the corporation for the benefit of its stakeholders in order to ensure their rights and the participation in decision making and on the other hand the management must act as the stakeholder's agent to ensure the survival of the firm and safeguard long-term stakes of each group (Friedman, 2006).

Conceptual Framework

A conceptual framework may be defined as an end result of bringing together a number of related concepts to explain or predict a given event, or give a broader understanding of the phenomenon of interest – or simply, of a research problem. Thus, a conceptual framework is derived from concepts (Imenda, 2014).

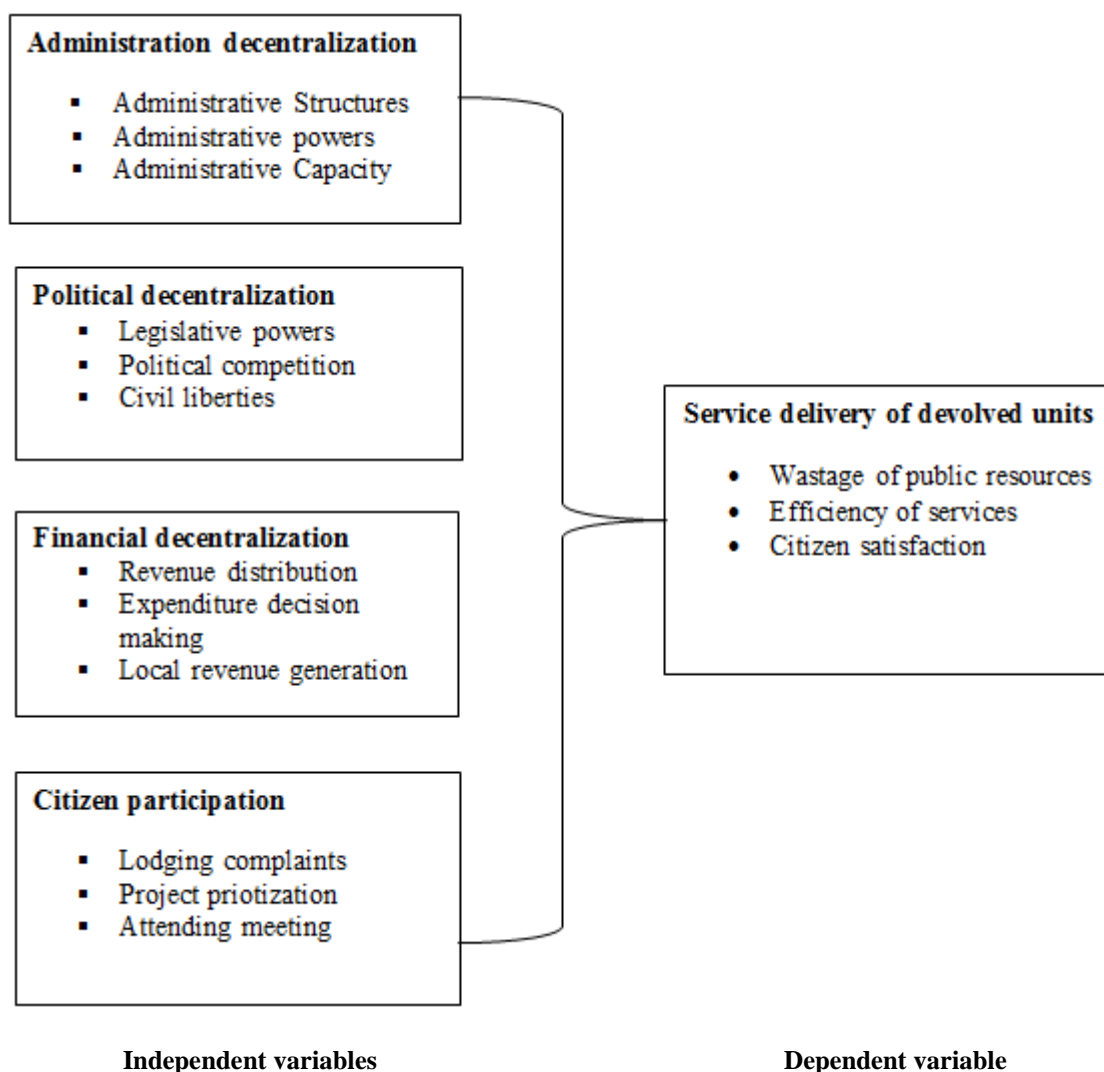


Figure 2.1: Conceptual framework

Research Gaps

Majority of previous empirical studies on decentralization have been conducted in developed or developing countries of Asia and Latin America (Kyriacou & Roca-Sagale's, 2011; Wei-qing & Shi, 2010). There is relatively small body of work and attempts to systematically examine the evidence of decentralization in Sub-Saharan Africa. Consequently, the link between decentralized governance and the performance of services of devolved units in the context of Sub-Saharan Africa is scarcely explored. Only a limited number of studies have so far examined the impact of decentralized governance on the performance of services of devolved units in the context of Sub-Saharan Africa (Balunywa et al., 2014; Tshukudu, 2014). The near absence of research in Africa in this area raises a question as to whether decentralized governance influences performance of services of devolved units in Africa. Empirical findings in developed countries may not be generalized in developing countries due to different cultural and political context. Further, there is also the need to test if decentralization frameworks, models or theories developed in western countries are applicable in poor African countries suffering high unemployment rates.

Moreover, it has been argued that people's attitudes, beliefs and values vary across countries, cultures and continents. Hence, this study to bridge the knowledge gap by establishing the impact of decentralized governance on the performance of services of devolved units in a less developed, non-Western context like the Kenyan context. Additionally, literature reviewed indicates there is imbalance on the attention that has gone into studies on decentralized governance and performance of services of devolved units. In measuring performance of services of devolved units, most studies tend to concentrate on service accessibility and disregards other dimensions of service delivery such as quality of service and citizen's satisfaction (Kosec & Mogue, 2015; Sujarwoto, 2012).

Empirical evidence on the links between decentralized governance and performance of services of devolved units measured by quality of service and citizen satisfaction is evidently lacking. One notable exception is a study in India by Nayak and Samanta (2014) which examined the role of participation on performance of services of devolved units. The researchers used accessibility, availability, reliability and quality of services as a measure of public service delivery. However, the findings of this study could not be generalized due to different cultural and political contexts. It would therefore be prudent for other researchers to make a remarkable contribution in this field by establishing the impact of decentralization on service delivery (measured by accessibility, citizen satisfaction and quality of services). Moreover, there is need to question the veracity of the link between decentralized governance and performance of services of devolved units. Analysis of previous research relating to the question of a link between decentralized governance and performance of services of devolved units reveals there is uncertainty as to the direction of the link. Empirical evidence on the impact of decentralized governance on the performance of services of devolved units is mixed and inconclusive. A cross section of studies provides evidence that decentralized governance leads to improved performance of services of devolved units (Balunywa et al., 2014; Freinkman & Plekhanov, 2009). In contrast, other studies found that decentralized governance negatively influences performance of services of devolved units (Elhiraika, 2007; Olatona & Olomola, 2015). The inconclusive nature of evidence suggests that more empirical work is required on the relationship between decentralized governance and performance of services of devolved units.

3. RESEARCH METHODOLOGY

This study adopted a descriptive research design. The target population was 3876 respondents that included both public members and staffs of Nyeri County government who previously participated in the budgeting, procurement, financial reporting and resource utilization and project implementation for the last five years. To come up with an appropriate study sample, the study utilized stratified sampling technique where respondents will be classified based on their departments. The strata was the 10 departments in the county government of Nyeri County. This study utilized a sample size of 387. The researcher used questionnaires and secondary data as the research instrument to gather the relevant information needed related to the study. For this research both primary and secondary data collecting methods was used. Primary data was collected through the administration of questionnaires to senior management bank employees. The study carried out a pilot test to test the validity and reliability of the questionnaires in gathering the data required for purposes of the study. The information gathered from the respondents was of a qualitative and quantitative nature. The data was summarized and then analyzed by the use of descriptive statistics comprising of tables, graphs and percentages. The MS Excel, statistical software was used to analyze the collected information. This is because the MS Excel provides simplified analysis that is easy to interpret and present.

Model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

Y = Performance of devolved units in Kenya

β_0 = Constant

β_i = Regression coefficients

X_1 = Administration decentralization

X_2 = Political decentralization

X_3 = Financial decentralization

X_4 = Citizen Participation

ε = Error term

4. RESULTS**Regression Results****Table 4.1: Significance of Independent Variables**

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.875	.562		4.785	.000
Administrative decentralization	.675	.218	.688	4.810	.004
Political decentralization	.385	.255	.460	1.708	.004
Financial decentralization	.295	.186	.370	1.671	.001
Citizen Participation	.267	.172	.310	2.086	.003

The results in Table 4.1 indicate that administration decentralization has a significant and a positive effect on delivery of devolved County units in Kenya ($\beta = 0.675$; $t = 4.810$; $p < 0.05$). Further, political decentralization has a significant and a positive effect on delivery of devolved County units in Kenya ($\beta = 0.385$; $t = 1.708$; $p < 0.05$). Also, financial decentralization had significant and a positive effect on delivery of devolved County units in Kenya ($\beta = 0.370$; $t = 1.671$; $p < 0.05$). Finally, Citizen Participation had a significant and positive effect on the delivery of devolved County units in Kenya ($\beta = 0.267$; $t = 2.086$; $p < 0.05$).

5. CONCLUSION

From the study findings, this study concluded that administration decentralization has a significant and a positive effect on delivery of devolved County units in Kenya. The study also concluded that political decentralization has a significant and a positive effect on delivery of devolved County units in Kenya. From the findings, the study further concluded that financial decentralization had significant and a positive effect on service delivery of devolved County units in Kenya. The study finally concluded that Citizen Participation had a significant and positive effect on the service delivery of devolved County units in Kenya.

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