

**DETERMINANTS OF PERFORMANCE IN PUBLIC SECTOR  
ENTERPRISES: CASE OF HUDUMA CENTRES IN CENTRAL  
BUSINESS DISTRICT, NAIROBI-KENYA**

**BY**

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## DECLARATION

This research project report is my original work and has not been presented in any university for academic award.

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## **DEDICATION**

I dedicate this research project to my beloved wife Lydiah Bosibori, daughter Claire Kemunto and my mother Mary Kemunto for their financial and moral support during the entire period of study.

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## **ABBREVIATIONS AND ACRONYMS USED IN THE STUDY**

<b>ADB</b>	Africa Development Bank
<b>CBD</b>	Central Business District
<b>GCCN</b>	Government Common Core Network
<b>GoK</b>	Government of Kenya
<b>ICT</b>	Information Communication Technology
<b>IS</b>	Information Systems
<b>IT</b>	Information Technology
<b>LASDAP</b>	Local Authorities Service Delivery Action Plan
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MIS</b>	Management Information Systems
<b>MoLG</b>	Ministry of Local Government
<b>NACOSTI</b>	National Council for Science Technology and Innovation
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PSE</b>	Public Sector Enterprises
<b>SPSS</b>	Statistical Package for Social Science
<b>TQM</b>	Total Quality Management

## ABSTRACT

The purpose of this study was to investigate the determinants of performance in public sector enterprises using case of Huduma Centres Central Business District (CBD), Nairobi. The study was guided by the following objectives: To examine the extent to which decentralization determines performance in public sector enterprises; To evaluate how the level of technology determines performance in public sector enterprises; To explore how the level of communication determines performance in public sector enterprises; and To examine how staff qualification determines performance in public sector enterprises. Politics and Government Policies were used as moderating variables to help 'check' the relationship between the independent variables and the dependent variable. The study employed a descriptive survey research design. The choice of this design was informed by the fact that the researcher intended to collect detailed information about the target respondents' views and opinions concerning the topic under study. The study employed probability and non-probability sampling techniques where stratified sampling and purposive random sampling procedures were used. The target population was 152 employees and the sample size of 110. Data was collected using structured questionnaires and interview guides. The data that was collected was subjected to quantitative and qualitative analyzes techniques, where quantitative data was analyzed using the SPSS tool, while qualitative data was analyzed using thematic grouping and content analysis. The analyzed data was then presented in the form of frequency distribution tables. Later, the data was summarized to help to draw conclusions, and make recommendations and suggestions for further studies. The study was meant to help law and policy makers, especially those charged with the responsibility of managing and controlling the use of various information systems - such as the Ministry of Communications and Information Technology, Communications Authority of Kenya, the Media Council of Kenya, Ministry of Devolution and Planning and many other - in formulating and promoting implementation of policies that will help in making Kenya's performance in Public Sector Enterprise to improve and meet the purpose of its existence. Data was presented using APA tables and figures. Based on the analyses of information presented, the following findings were noted: Demographic indicators show that majority of the study participants are qualified and have attained education levels sufficient to influence favourably their comprehension of antecedents to better performance in public sector enterprises. Further findings on years of experience indicate that lower cadre employees and senior manager working at Huduma centres one of the public sector enterprises have long work experience. The results indicate that that the Huduma Centres were performing on the positive in all the four determinants of performance in public sector enterprises studied as they all recorded positive performance mean scores. Overall Level of technology was the most significant driver in performance in Public sector enterprises, secondly decentralization, thirdly level of communication, and lastly staff qualifications recorded the fourth one in that order. The findings indicated a significant positive relationship between the determinants and the performance in public sector enterprises. It is recommended that reforms in the Department be accelerated with a view of streaming public sector enterprises processes as well as automating activities and back departmental operations.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Public sector enterprises have been adjudged to be a critical prerequisite for the development of any nation. Most of the countries of the world, so as also in Kenya have been created to accelerate economic and social development. Hanson (2005) rightly states that whatever the ultimate perspective may be, the country anxious to develop economically has no alternative but to use public enterprises on considerable scale at the very least in order to get things done. After independence, and especially after the acceptance of planning as the only possible means to achieve the desired economic development on the country, public sector in Kenya has become indispensable. The public enterprises in Kenya have been set up as result of the conscious policy of the Government to participate in the industrialization of the country with a view to give impetus to the economic growth as well as to achieve certain socio - economic goals. All nations that are among the league of developed nations today regarded as world powers, achieved certain development feats via the establishment of these enterprises.

In an effort towards promoting efficient and effective service and product delivery to the public, many countries and governments have spent billions of dollars in order to provide service automation and computerization (Sundgren, 2005; Bwalya, 2009). This situation, which was generally called an e-government initiative, had been very assertively pursued especially among the developed and developing nations. This was particularly true in Kenya's case. In line with Vision 2030, a national strategy whose aim was to transform Kenya into a well-developed nation sustained by a knowledge-based economy, various information and communication technology projects have been deployed. These ICT projects, among others, include Huduma Centres were meant to enhance and spectacularly improve the performance of government interactions with both business and its citizens (Government of Kenya, 2004). Before decentralization was effected citizens had to go for a long distance to seek for service and this was accompanied with

bureaucracy which in return wasted a lot of time. This kind of situation led to high rate of corruption to quicken the service for those who urgently needed it.

As public sector enterprises were striving to become more citizen-oriented and more accountable, to provide better services at reduced costs, and to build public confidence, many were trying to find ways to do more for the citizen. Many methods and tools were developed to help public organizations do this. For example, implementation of Huduma centres demands evidence that administrations had achieved success in terms of people and citizen satisfaction, its impact on society, and its administrative results.

Performance in public sector enterprises was crucial to government service delivery. For decades performance in public sector had been attracting great attention from practitioners, academicians and researchers due to poor levels of performance. Despite Government efforts for improvement, it was still marred by shoddy works, poor quality goods and services. Stakeholders complained about poor service delivery. Benefits deriving from improved performance in the public sector enterprises were dependent on a number of factors. The general purpose of the study was to assess the determinants of performance in public sector enterprises. A case of Huduma centres in the Central Business District, Nairobi- Kenya. It was sought to assess the extent to which these factors influence performance.

## **1.2 Statement of the Problem**

Endlessly, Kenyans had been subjected to moving from place to place in search of services from the government. This kind of frustrations, endless static queues and delayed tactics in service delivery was the order of the day, wasting countless hours, still marred by shoddy works, and poor quality goods and services. Improper implementation of recommended performance standards had resulted in unnecessarily high operation costs, uncoordinated business activities, inability to achieve domestic policy goals, and failure to attract and retain professionals (Hanson, 2005). Suppliers of government goods had complained about the capability of public sector buyers (Hayden, 2007)Public service had become the essence of inefficiency; this inefficiency had bred corruption, initiating a cycle of vice which had tormented many and cost the country billions (Cheema, 2007). The above was in existence before the establishment of Huduma



Centres. The Huduma Centres was trying to solve this worrying trend and win public confidence. Nationally, it raised questions for public sector enterprises to exist as currently constituted or be privatized. This was because every organization was founded on goals and objectives and, thus, the continued existence of public sector enterprises can only be justified by the extent to which they met their objectives.

Despite the efforts of the government addressing this need still the expectations or specification of the people were not met. Therefore, this study intended to address such a need by unveiling some of the determinants, which had influences performance of public sector enterprises (PSE) using a case of Huduma Centres within CBD Nairobi.

### **1.3 Purpose of the Study**

The study intends to investigate the determinants of performance in public sector enterprises (PSE). The study focused on Huduma Centres within CBD Nairobi, Kenya.

### **1.4 Objectives of the Study**

The purpose of this study was achieved through the following specific objectives:

1. To examine the extent to which decentralization determines performance in public sector enterprises at Huduma Centres;
2. To evaluate how the level of technology determines performance in public sector enterprises at Huduma Centres
3. To explore how the level of communication determines performance in public sector enterprises at Huduma Centres; and
4. To examine how staff qualification determines performance in public sector enterprises at Huduma centres.

## **1.5 Research Questions**

This study was guided by the following research questions:

1. To what extent does decentralization determine performance in public sector enterprises at Huduma centres?
2. To what extent does the level of technology determine performance in public sector enterprises at Huduma centres?
3. How does the level of communication determine performance in public sector enterprises at Huduma centres?
4. How does staff qualification determine performance in public sector enterprises at Huduma centres?

## **1.6 Significance of the Study**

It was hoped that findings from this study would be of great significance to various stakeholders especially those involved in the development, application and management of information systems in public sector enterprises - by highlighting the role that these systems play in improving service delivery, product quality and enhancing general performance in these institutions. The study would also help the different law and policy makers especially those charged with the responsibility of managing and controlling the use of various information systems such as the Ministry of Communications and Information Technology, Communications Authority of Kenya, the Media Council of Kenya, Ministry of Devolution and Planning and many other - in formulating and promoting implementation of policies that would help in making Kenya's public sector enterprise to have better performance. For researchers and academicians, this study would add to the existing body of literature thereby acting as a source of reference. In addition, this study would provide areas for further research where future scholars could explore to widen the knowledge base on public sector enterprises. The findings of this study would be important to scholars in the field of Public Sector Enterprises hence promote Public Sector Enterprises in the future.

### **1.7 Basic Assumptions of the Study**

This study was based on a number of assumptions. Key among these included the following: that: (1) Decentralization, level of technology, level of communication and qualification of the staff are determinants of performance in public sector enterprises; (2) Besides the aforementioned determinants, other factors - such as politics and government policy - have an influence on the performance of public sector enterprises; (3) All research questions would be comprehended by the respondents, and that the questionnaires would be fully filled and returned; and (4) Conclusions and recommendations that were that was drawn from the entire research of this study would stimulate positive decision-making and action-taking among various key stakeholders.

### **1.8 Limitations of the Study**

There were a number of limitations or challenges that were envisaged by the researcher in successfully conducting the present study. For instance, this study was limited within CBD Nairobi County, and not any other counties in Kenya. Other limitations that the researcher encountered included the following: some respondents were not cooperative or willing in filling-in the structured questionnaires – however, this was overcome by seeking for permission from the relevant authorities and by organizing a familiarization forum with the respondents themselves beforehand; this created a rapport with them. In addition, alternative instruments to the use of questionnaires (interview guides) were reemployed. Additionally, there was inadequate time allocated for collecting, analyzing, interpreting and presenting field data – however, the researcher overcame this challenge by embarking on the field work early enough; the researcher also hired the services of a qualified person who served as a research assistant.

### **1.9 Delimitation of the Study**

Delimitation is the process of reducing the study population and area to a manageable magnitude. The scope of this study was to investigate the determinants in performance of public sector enterprises in Nairobi County. City Square Post Office Huduma Centre (along Haile Selassie Avenue) and Teleposta Towers GPO Huduma Centre (along Kenyatta Avenue) were selected as a case since they were the first initiatives of their own kind to be established by the

Kenyan Government in the whole country. The study targeted respondents both the senior management and lower cadre employees of each of the two Huduma Centres. There are a total of 152 staff members for the two Huduma Centres, comprising of 12 senior managers and 140 lower cadre employees.

## 1.10 Definitions of Significant Terms Used in the Study

<b>Decentralization:</b>	Refers to the transfer of resources and responsibility from the national government to its field units.
<b>Determinant:</b>	Refers to a factor (or group of factors) that has a high level of influence on another thing or person.
<b>Huduma Centres:</b>	Huduma is a Swahili word which means service. Thus, Huduma Centre will be used to mean a one-stop shop portal which provides integrated and unified services offered by various government ministries, departments and agencies.
<b>Performance:</b>	Performance refers to the accomplishment of a given task measured against pre-set known standards of accuracy, completeness, cost and speed.
<b>Public Sector Enterprises (PSE):</b>	Public sector enterprise refers to a business wholly or partly owned, managed and controlled by the state for public welfare.
<b>Level of Technology:</b>	It refers as the degree at which an organization uses the computer use of computers and management information system.
<b>Performance:</b>	It refers to attaining the desired results.

### **1.11 Organizational of the Study**

The study was divided into five main chapters, and a number of sections and sub-sections as follows: Chapter One, which is the Introduction, consisted of the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, basic assumptions of the study, limitations of the study, delimitations of the study, definitions of significant terms used in the study and the organizational of the study.

Chapter Two, which is the Empirical Literature Review, comprised of the introduction, a detailed coverage of research objectives, theoretical framework, conceptual framework and summary of the chapter.

Chapter Three, which is the Research Methodology, was broken down into the introduction, research design, target population, sample size and sampling procedures, description of data collection instruments, pilot testing of the instruments, validity and reliability of the instruments, data analysis techniques, ethical considerations, operational definition of the variables and summary of the chapter.

Chapter Four was about the Data Analysis, Presentation, Interpretation and Discussion of the Findings, and it included the introduction, questionnaire return rate, demographic characteristics of the respondents, and presentation, interpretation and discussion of the specific objectives.

Chapter Five, which is the Summary of the Findings, Conclusions and Recommendations consisted of introduction, summary of the findings, conclusions, recommendations for policy action and suggestions for further studies.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews on determinants influencing performance in Public Sector Enterprises at Huduma Centres within the Central Business District, Nairobi. The highlight of the performance focused on the relationship between performance of public sector enterprises case of Huduma centres and determinants such as Decentralization, level of technology, level of communication and staff qualification.

#### **2.2 Performance Measure Concepts in Public Sector Enterprises**

Performance is a key word permeating all discussion about new public management (OECD, 2003). Part of its attraction was that performance is abroad concept: it has various meanings, for different audiences, in different contexts (Carter, 2001).The performance in the public sector is an important driver for economic growth in any country, as it is the public sector which provides a fit and well-educated workforce, a regulatory and investment environment conducive to business and the infrastructure - physical and virtual - to enable the movement of goods and information. Therefore performance in this context is being understood as the production of a valid result.

In this subsection the study discussed benchmarking and quality award as a measure of performance.

##### **2.2.1 Benchmarking**

Benchmarking can be seen as an important management tool of total quality management (TQM). It was first developed by Xerox Corporation in 1979, when severe quality and costs problems became visible in the face of the extremely low price of Canon copier machines (Horvath and Herter, 2002). Today, this instrument is used by a large number of US companies, such as Motorola, Ford, GTE, IBM, AT&T, Honeywell and Alcoa. Benchmarking is a term which was originally used by land surveyors to compare elevations. Today, however,

benchmarking has a narrower meaning in the management lexicon since the benchmark is industry best-practice and is not in any sense a standard. Camp (2009) defines benchmarking as the continuous process of measuring products, services and practices against the toughest competitors or those companies recognized as industry leaders, that is, the search for industry best practices that will lead to superior performance.

The aim is to identify competitive targets which render the weak points of the benchmarking organization visible and to establish means of improvement. In other words, the basic idea behind benchmarking is not to find out by how much others are doing better but, rather, how they make it to do better in certain areas (Horvath and Herter, 2002). Given the fact that industry best practice for a given product, service or process may never be found, because of high transactions costs, only relative or local optimums are found as benchmarks. In the real world, 'ideal-type' definitions of benchmarking need however, to be modified. Consequently, benchmarking is a continuous, systematic process of measuring products, services and practices against organizations regarded to be superior with the aim of rectifying any performance gaps.

With regard to the organization being compared, the object and the targets to be improved, Benchmarking against competitors may also uncover practices that are unworthy of emulation. While competitive benchmarking may help a company to unravel the competitor's performance, it is unlikely to reveal the required practices needed to surpass that competitor's performance (Camp, 2009). What is important for the introduction of benchmarking is that this instrument needs to be permanently used by staff (Walleck, O'Halloran and Leader, 2001).

### **2.2.2 Quality Awards**

Before analyzing quality award competitions, one has to make clear what this label means; there is a whole variety of quality award competitions in the private as well as in the public sector. A public quality competition award is defined as a performance measurement instrument which fosters innovation and quality in the public sector by the identification of excellent public organizations by independent panels and with active participation of public agencies. These processes render the success factors of excellent administrative practices transparent. This definition excludes awards that are given to organizations for outstanding past achievements



without using performance indicators and without submitting to a competitive selection process. For example, the grant of the Distinguished Service Cross to public organizations in Germany does not fall into the quality award category because the selection is not by a competitive process. Nevertheless, the above definition is broad enough to include innovation awards in the public sector. As Borins (2005) points out, the difference between specific and general quality awards is gradual rather than fundamental. Given the elusive nature of innovation in the public sector, judges of specific innovation awards will need to include effectiveness in overall judgment.

Quality award competitions come from the private sector and have been transferred to the public sector in the process of the paradigm shift taking place in new public management of many Anglo-American and European economies. The basic assumption, again, involves the putative benefits of competition: why not introduce surrogates of competition into public sectors which lack the 'discipline' of market competition? The competition among the participants of an award program is supposed to motivate other actors of public agencies. However, due to specific characteristics of the public sector, quality competition awards have another important function. Whereas in the case of private goods there is a price, which is a complex measure of all the quality characteristics economic actors attribute to such goods, there is no such indicator in the case of public goods. By quality competition awards, excellent public organizations are identified and their success factors are made visible to other agencies (Haubner, 2003).

There is also a cooperative element in quality competition awards, which is perhaps the most important function of such awards if they claim to be an instrument in fostering innovation and quality improvement in the public sector.

### **2.3 Determinants of Performance in Public Sector Enterprises**

There are many determinants of performance in public sector enterprises, including work environment, employment relations between the employer and the employee, level of employee reward and motivation, among others. However, the current study will be restricted to investigating how decentralization, level of technology, level of communication and staff qualification as key determinants of performance of public sector enterprises.

### **2.3.1 Decentralization and Performance of Public Sector Enterprises**

According Conyers (2007), decentralization refers to anything from the de-concentration of administrative responsibilities within a single government agency to the devolution of power over all basic local services to semi-autonomous local authorities. It is also used to describe the transfer of power to a wide range of geographical levels, from the regional or state level to that of local governments or communities.

The term decentralization embraces a variety of concepts which must be carefully analyzed in any particular country before determining if projects or programs should support reorganization of financial, administrative, or service delivery systems (The World Bank Group, 2002). Decentralization, which denotes to a process or situation of transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi-independent government organizations and the private sector, is a complex multifaceted concept. Different types of decentralization should be distinguished because they have different characteristics, policy implications, and conditions for success

According to Rondinelli (2009), decentralization entails the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations or the private sector. The transfer can be through de-concentration, delegation, devolution or privatization or deregulation and involves a combination of dimensions of fiscal, administrative, political and economic powers and functions. Similar views are shared by Steiner (2005), Rondinelli and Cheema (2007) and Phillip (2009) who hold that services whose delivery and financing is often decentralized include, but are not limited to, education, health, water, sanitation, public transport and infrastructure, roads maintenance, fire, housing and social welfare. These are services should have little inter-jurisdictional spillover effect, hence contributing to high performance of the public sector enterprises as a result of proper utilize the available resources given and maximize profits made for expansion (Robinson, 2007).

The efficiency of a redistribution program can also arise, especially when the program affects the incentives in the productive system: some redistribution of income can usefully be regarded as

due to the external economy a redistribution of income can have; that is, it is desired by those who give up the income because they think the transfer is in some sense in their own best interest (Roman, 2010). Redistributions of this sort are covered by what will be said about collective goods and externalities. There remain some redistributions of income, which are desired or which even take place, but which are plainly not desired by the class from which the transfer is obtained. In the case of Kenya, a key aspect of local government reform starting in the late 1990s has been to improve local service delivery by, among other means, institutionalizing citizen's voice in decision making.

This came against a background of poor performance in service delivery, huge debt burdens, and gross mismanagement of resources in local authorities (LAs). The formal (state) mechanism established for citizen participation has been the Local Authorities Service Delivery Action Plan (LASDAP) under the Ministry of Local Government (MoLG): established in 2001, LASDAP was to ensure that citizens residing in each local authority's jurisdiction participated in decision making, implementation and monitoring of service delivery. In 2010, Kenya promulgated a new constitution that overhauls the current local government system by establishing forty-seven county governments (Constitution of Kenya 2010). Article 196 of the Constitution of Kenya 2010 expressly obligates the county governments to institutionalize citizen participation in its decision making processes. This is expected to improve the governance of the devolved governments including service delivery. Therefore for better understanding the researcher has selected three forms of decentralization, namely: administrative, political and fiscal decentralization.

### **2.3.1.1 Administrative Decentralization**

The administrative decentralization involves the transfer of central government structures and bureaucracies to local level (Cheema & Rondinelli, 2007). It also entails de-concentration, where the authorities at the sub-national level plan and deliver services while remaining fully accountable to the appointing central office. There may be levels of citizen involvement but the local officials are subject to directives from above, some of which may negate the preferences of the local population (Steiner, 2005). However, Blunt and Turner (2007) argue that de-concentration can deliver on the citizen expectations by ensuring equity in resource distribution,

stability and consistency of resource allocation and highly skilled manpower available to the local population. This has enhanced sustainability and good performance of the public sector enterprises. For instance Huduma Centre is a government project, which is as a result of decentralization.

The three major forms of this administrative decentralization included-concentration, delegation and devolution, where each has different characteristics(Rudolf, 2011).De-concentration is often considered to be the weakest form of decentralization and is used most frequently in unitary states; redistributes decision making authority and financial and management responsibilities among different levels of the central government. It can merely shift responsibilities from central government officials in the capital city to those working in regions, provinces or districts, or it can create strong field administration or local administrative capacity under the supervision of central government ministries. Delegation is a more extensive form of decentralization (Conyers, 2007; Robinson, 2007).

#### **2.3.1.2 Political Decentralization**

Political decentralization is also referred to as democratic decentralization entails the transfer of administrative, fiscal and political powers and functions of public service delivery to elected local governments (Rondinelli, 2001). It takes the shape of devolution and is the most far reaching type of decentralization as the local governments have the discretionary space to make decisions and implement them within their jurisdiction (Steiner, 2005; Kauzya, 2007). These governments by design are expected to be downwardly accountable to the citizens, horizontally accountable to the elected officials and upwardly accountable to the central government (Devas and Grant, 2003). This has enabled to government to run its project various counties.

#### **2.3.1.3 Fiscal Decentralization**

Fiscal decentralization entails the means and mechanisms of fiscal cooperation in sharing public revenues among all levels of government (Cheema and Rondinelli, 2007). Four aspects that entail effective fiscal decentralization are: the assigning of clear expenditure responsibilities, clear revenue responsibilities, and inter-governmental fiscal transfer mechanisms from the national to county governments, and authorization for borrowing and revenue mobilization

through loan guarantees from the central government (UNDP, 2005; Phillip, 2009). Fiscal decentralization is rarely implemented alone but rather accompanies political and administrative decentralization.

### **2.3.2 Level of Technology and Performance in Public Sector Enterprises**

Information and Communications Technology (ICT) is pivotal to modern government and fundamental to the strategies for public service reform. The creation of new information and communication systems are seen as an essential component in the creation of accountability and it increases performance of public sector enterprises (Phillip, 2009). When fundamental decisions have been reached, information about those decisions and their outcomes must flow to all those to whom the decision-maker is accountable (Heeks, 2008). Without such an information flow, and without the information system to carry that flow, there can be no accountability because there can be no knowledge of the decision.

Management Information System (MIS) basically concerns with processing data into information. Data collection involves the use of Information Technology (IT) comprising: computers and telecommunications networks (Email, Voice Mail, Internet, telephone, etc). According to Munirat, Sanni and Kazeem (2014), computers are important for more quantitative, than qualitative, data collection, storage and retrieval; Special features are speed and accuracy, and storage of large amount of data. Telecommunications provide the means for one-way or two-way communication and for the transmission of messages. IT also comprises of telephones, computers, processors, printers, among others.

A lot of time and money are saved and the security of data and messages is ensured. In this context Management information system is also a collection of people, procedures and devices organized to convert data from internal and external sources into information and communicate such information in an appropriate form to management at all levels. A management information system (MIS) enables businesses to provide answers to managers in search of knowledge. MIS does this by combining raw data about the organization's operations (contained in its basic information technology systems) with information gathered from employees in expert systems that reflect the organization's procedures (Laudon and Laudon, 2006).

Management information systems (MIS) play an important role in modern business. The adoption of appropriate MIS makes it possible for firms and institutions - including governments to cut down on costs, improve service and product quality, increase administrative efficiency and significantly improve employee productivity (Profiroiu, 2001). A strong and professionally functioning public sector enterprise that is well-backed up by MIS is key in holding a country together; it is the bridge between political representation of national aspirations and individual needs on the one hand, and the life experiences of all citizens on the other (African Development Bank, 2005).

Sriram and Stump (2004) reckoned that enterprise resource planning (ERP) systems are essential for supporting internal information sharing. Externally, inter-organizational information systems (IOIS) constituting automated information systems shared by various firms can be used to support information-sharing with customers and suppliers. ICT contributes to improved communications patterns, increased demand for coordination of joint activities and new organizational structures through its ability to store transmit and process information and speed up inter-organizational activities. They should strive to find trends, patterns and connections in data in order to inform and improve competitive performance in public sector enterprises having and incentive alignment in the departments.

Therefore the level of technology has given boost to the performance in public sector enterprises is also key in helping to translate government visions and needs into policies, policies into programmes and objectives, objectives into goals, goals into action and action into results that should matter to people and meet the needs of the country (Turner and Hulme, 2007). Thus, the implementation of ICT and Management information systems in public sector enterprises serves as a significant part of growing a country's economy and development agenda. management Information system facilitate employees to make faster decision , in planning tasks, and in the administration of HR responsibilities because data is much easier to store, update, classify, and analyze.

Furthermore, Brown and Brown (2006) rightly observe that today, many governments have increasingly focused on improving the quality of their product or service delivery capabilities:

for instance, the Government of Kenya has gradually increased the efficacy of its electronic government services vis-à-vis international and African peer nations by seeking out opportunities to deliver more holistic, citizen-centric, transparent, and automated public services (Gronroos, 2004). Kenya has nudged upwards in the United Nations Department of Economic and Social Affairs' e-Government Development Index, from a rank of 126<sup>th</sup> globally or 14<sup>th</sup> place among African nations in 2004, to 119<sup>th</sup> rank internationally or 7<sup>th</sup> place in Africa in 2013 (GoK, 2004).

### **2.3.3 Level of Communication and Performance in Public Sector Enterprises**

Communication is important in both its approaches, i.e., vertical, which involves top-down and bottom-up communications, as well as horizontal communication, which involves cross-departmental and external communications. In the top-down case a form of explicit communication is a requirement implied by the necessity for individual components to access remote resources according to the global design, while in the bottom-up case, communication is optional in so far as the impact of the propagation of the information throughout the system on the emergent behaviour is more like a positive side effect of the design rather than an expected feature required in the specification (Haubner, 2003). The manner in which an organization conveys its messages is very crucial to its performance.

Top-down communication process starts with a flow of information from the top of the organization down to the lower levels of the organization. This bunch of information generally includes an outline of overall goals for the year, specific guidelines for helping lower level managers to prepare their budgets, and templates to be fulfilled for submission of the budgets (Heeks, 2008). Even though bottom-up budgeting is more common, there are companies and governmental agencies that are renouncing to this method, replacing that with the top down process. On the other sides involved in this process (especially lower level staff) do not have the opportunity to contribute in an efficient manner.

The bottom-up design methodology is very popular for producing autonomous, scalable and adaptable systems often requiring minimal (or no) communication. The design process consists of three steps: synthesis, modeling and analysis, and optimization. In the synthesis phase, one has to define the agent controller which can be described by an automaton that is the behavioral

representation of an agent (Koskela, 2000). In the case of a reactive agent, the controller can be characterized by a finite state automaton (FSA). Each state of the automaton represents the action or a behavior the agent is executing, with transitions coupling it to other states.

On the other hand, horizontal communication mainly includes forms of relaying information across departments, as well as outside the organization (e.g., through consultancy and research work). Slack and Lewis (2011) describes horizontal communication as the principle governing an array of operations which shapes objectives and action, at least partly by the knowledge it gains from its day-to-day activities. This form of communication can emerge as an unplanned pattern of actions and may realize outcomes not initially intended by top management (Borins, 2005; Burgelman and Grove, 2007; Mintzberg and Waters, 2005). As remarked by Mintzberg and Waters (2005), no action transpires in the total absence of intention. Usage of horizontal communication, by its decentralized and also participative nature, leads to increasing the motivation and involving employees. Employee motivation is directly related to job performance, higher morale, unit-level ownership, higher commitment and more satisfaction. Horizontal communication is also a good method for large, complex and decentralized organizations, where lower-level managers know a lot about customer behaviour, main preferences, large scale of inputs, outputs and processes than top management.

According to Rondinelli (2001), improved communication promotes coordination between functional department managers and upper management. Open lines of communication between top managers and functional managers exist, allowing top managers to communicate overall budget expectations and functional managers to report back any issues or problems. When we are talking about bottom-up budgeting, also understand that communication and coordination among managers employees and is encouraged in different organizational departments. Lower level managers and employees ensure information and important feedback to functional managers about resources they are interested in and challenge them in their specialized areas.

Simatupang and Sridharan (2005) emphasized that information is the glue that holds organizations together and can be used to integrate public sector enterprises activities both within and across multiple sectors. Due to demand of information, organization had employing different



channels of communication to share information across the board. Such channels are Mobile phones, internet or email and others use notice board. Information on demand, forecasting and replenishment is recognized as a central component in integration of planning and control. Internal integration focuses on cross-functional processes. Externally, focus is on relationships with outside customers and suppliers. A relationship can have various intensity levels ranging from lowest open-market negotiations, cooperation and coordination to the highest collaboration level. The free flow of information has enhanced high performance the Public Sector enterprises. A case of Huduma Centres is not exceptional. Collaboration in the public sector enterprises is based on a high degree of trust, commitment and information-sharing. It requires linking performance systems with decision making, information sharing and incentive alignment in the departments.

#### **2.3.4 Staff Qualification and Performance in Public Sector Enterprises**

Saunders (2007) believed that successful functioning of organizational structures and effective operation of planning control systems is dependent on the quality and ability of staff employed. Strategic plans should include information on the acquisition, development, use and reward of human assets. Plans need to take into account the current state of development of the Public sector enterprise function and the strategic direction in which its state might change. Multi-skilling provides employees with a variety of skills and should be developed extensively. Training is beneficial and generates more than the equivalent cost in payback. To further the goals of value-based management, all employees need broad and continuous education and training. Education, training and professional development should be skill, process oriented and continuous.

Leenders and Fearon (2002) noted that the large number of items, huge monetary volume involved, need for an audit trail, severe consequences of poor performance, and the potential contribution to effective organizational operations associated with the public sector enterprises function are five major reasons for developing a sound, professionally managed public sector enterprise systems. They further argue that qualifications are crucial for value-based management which requires employees to assess and improve processes while contributing to team performance. In addition, qualifications enhance staff ability to perform, enabling them to

make better decisions, work as a team, and adapt to change, while increasing efficiency, quality, productivity and job satisfaction. Training is often for improving immediate work while education develops people for the long term. To enable individuals to create value consistently, both education and training are needed.

Conyers (2007) stressed that with the ever increasing popularity of purchasing partnership philosophy, organizations must take a closer look at the educational levels of public sector staff. With public sector's perceived movement from a clerical service to a strategic business function, the caliber of staff in terms of training, education and skills must increase to fulfill its strategic potential. The author asserted that employees need to learn new skills for improving work performance. Public Sector Enterprise comprises a wide range of services to be offered to the citizen. This calls for higher professional skills for enhanced performance. Baily, Farmer, Jessop and Jones (2005), observe that knowledge of the mission, the existence of top-down objectives with related performance measures, and process guidelines link individual or group performance to the firm's goals and expectations of upper management require good qualifications.

The use of teams, cross-functional managers, broad process and linkage oriented job responsibilities, and extensive information systems enable individuals to balance conflicting objectives and improve processes. Professional qualifications are the fulcrum around which performance turns. Without well-motivated, able and well trained staff, even the more brilliantly conceived plans and strategies can fail. A motivated team whose members work for and with each other can beat a team of less motivated people even if they are greater in talent. To improve performance of the public sector enterprise, it is essential to understand the roles that are to be performed, the standards to be achieved and how performance is evaluated.

Understanding is what allows an employee to become an innovator, initiative taker, and creative problem solver in addition to being a good performer on the job, (Goetschand Davis, 2006). They list benefits of training as improved productivity, quality, safety and health, communication and better teamwork. The value-based public sector enterprise management paradigm requires a rethinking of the management of human resources. Education must cross necessary boundaries and motivate public sector enterprise team performance. However, simply possessing knowledge

is less important than applying it. Attention should be moved to skills of doing jobs and demonstrating competences. Noble (2011) argued that all chartered bodies - such as the Chartered Institute of Purchasing and Supply (CIPS) - are set up for the benefit of the public, because that is what professionalism is all about. It is both recognition and an expectation that professionals, through their expertise and commitment have a beneficial impact on society and corporate life.

According to Kiragu and Mutahaba (2006), it is important for the national and county leadership (including the governor and his deputy, county ministers, MCAs and county employees in general) to know the importance of having qualified staff in public sector to enhance better performance. In order to achieve this goal, there is great need to develop trainings that can produce and or provide exportable knowledge and skills that are comparable to the best in the world by both the national and county governments in Kenya (IMF, 2010). According to the GoK (2004), the pillars of devolved governance is to setup ICT hubs which will drive the county governments towards an e-Government services, which aims at ensuring provision of e-Government information and services as key to improving productivity, efficiency, effectiveness and governance in all key sectors. Therefore, the development of quality ICT Human Resources is a pre-requisite to the development of a viable ICT sector that integrates revenue collection system (IMF Report, 2014; GoK, 2013; Kiragu and Mutahaba, 2006). Developing an ICT Human Resources will help ensure that the process of developing, implementing, using and managing of information systems in place becomes an integral and sustainable component of development, specifically for Kenyan government, and more so the County governments in Kenya (IMF, 2000).

## **2.4 Theoretical Framework**

According to Whetten (1989), a theory consists primarily of concepts and causal relationships that relate to these concepts. A theory can also be described as a general body of assumptions and principles used to describe a particular set of facts or some observed phenomenon (Jordan, 1998). This study adopted the use of the following three theories: Bloom's Taxonomy of Theory; Contingency Theory of Management; and Systems Theory of Organizations. These three theories

were considered to be relevant to the present study. Let us now examine each of these theories in details.

#### **2.4.1 Bloom's Taxonomy of Learning Theory**

Bloom (1956) produced taxonomy of learning theory which is helpful in identifying different cognitive skills. He identified six levels in this scheme; knowledge, comprehension, application, analysis, synthesis and evaluation. Movement from level 1 to level 6 represents an increase in the level of sophistication of cognitive ability. From strategic thinking perspective, higher demands is be made of the skills associated with analysis, synthesis and evaluation. At operational and tactical level; knowledge, comprehension and application may be more heavily utilized. There are implications with this theory for the ability to learn; from the point of view of attributes in relation to personnel issues with regard to staffing, training and education.

Sophisticated levels take on greater importance when analyzing situations in terms of relevant factors and the relationships between them, or developing, through synthesis, a picture of the wider system and its functioning as a whole as a result of the inter-dependency of its parts. An example in procurement is the ability to understand each stage of activity in the process, as one side of the coin, but also to appreciate how the stages interrelate and to consider the performance of the system as a whole. Learning is not attempting to transfer a body of knowledge as if it were an inert commodity to be regurgitated in an exam and then promptly forgotten. It should serve more useful purpose to enhance good performance of public sector enterprise through embracing best practice.

#### **2.4.2 Contingency Theory of Management**

According to Lutans (2011), a contingency theory or approach to management is based on the theory that management effectiveness is contingent or is dependent upon the interplay between the application of management behaviours and specific situations. In other words, the way you manage should change depending on the circumstances. Hence, this theory is sometimes referred to as 'situational' or 'circumstantial' theory of management. Contingency theory seeks to challenge the "one size does not fit all approach to management. Thus, according to contingency theorists, appropriate managerial action depends on the peculiar nature of every situation or

circumstance; hence, rather than seeking for universal principles that apply to every situation, this theory proposes that a manager should attempt to identify contingency or dynamic principles that prescribe actions to take depending on the situation that he/she finds himself/herself in. Morgan (2007) holds that the contingency approach to management finds its foundation in the contingency theory of leadership effectiveness developed by management psychologist Fred Fielder.

According to Morgan (2007), Fielder's theory of leadership effectiveness states that leadership effectiveness, as it relates to group effectiveness, is a component of two factors: task motivation (or relations motivation) and circumstances. In line with the same, Perrow (2007) further adds that contingency theory states that task or relations motivations is contingent upon whether the manager is able to both control and effect the group's situational favourability, or outcome. According to the him, one can assess situational favourability by three factors: (1) Leader-member relations, which addresses the manager's perception of his cooperative relations with his subordinates; (2) Task structure, which relates to whether the structure of the work task is highly structured, subject to standard procedures and subject to adequate measures of assessment; and (3) Position power, which examines if the manager's level of authority is based on punishing or rewarding behaviour.

Mintzberg (1979) further summarizes the main ideas underlying contingency theory of management as follows: (1) Organizations are open systems that need careful management to satisfy and balance internal needs and to adapt to environmental circumstances; (2) There is no one best way of organizing - the appropriate form depends on the kind of task or environment one is dealing with; (3) Management must be concerned, above all else, with achieving alignments and good fits; and (4) Different types or species of organizations are needed in different types of environments.

Contingency theory was therefore relevant to the present study, since it underscored the fact that project work is a risky affair, since most (if not all) projects operate in fragile and dynamic environments that are uncertain and ever-changing; hence, the need for the project management

team to device and put into practice different management approaches (strategies), depending on the prevailing circumstances.

### **2.4.3 Systems Theory of Organizations**

System Theory of Organizations was developed by Biologist Bertalanffy in 1968. Bertalanffy emphasized that real systems are open to, and interact with, their environments (Lev and Trumper, 2007). According to Bertalanffy, within a respective system, there are a numerous elements or sub-systems: each element has its functions and goals, but simultaneously the elements are interrelated and therefore must act as one or in unity in order to achieve the goals and objectives of the entire system. Hence, the systems theory views an organization as ‘a social system’ consisting of individuals who co-operate within a formal framework drawing resources, people and finance from their environment, and putting back into that environment products they produce or the services they offer.

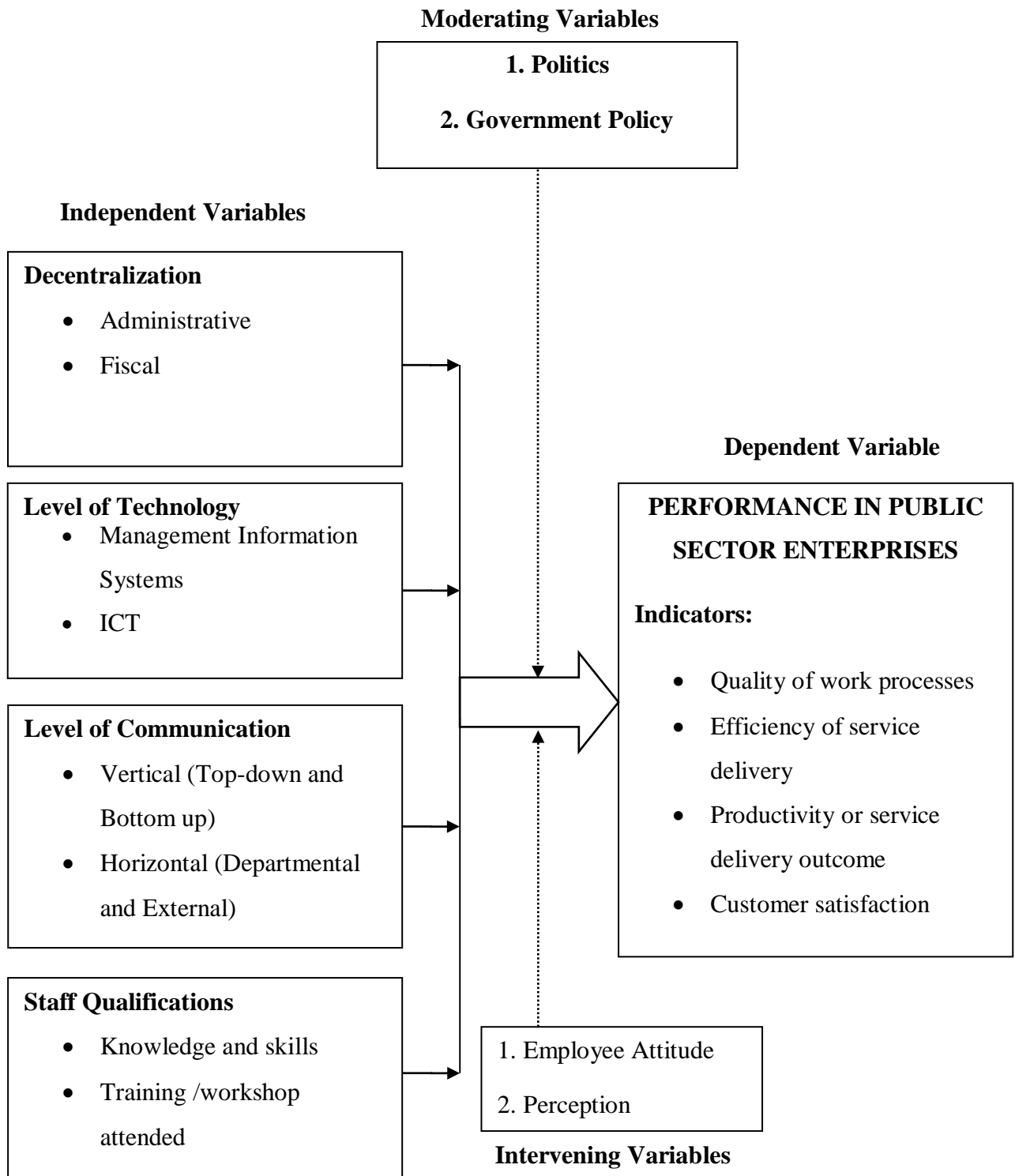
(2011), According to Rudolf systems theory of management is the inter-disciplinary study of systems in general, with the goal of elucidating principles that can be applied to all types of systems at all nesting levels in all fields of research. This is an approach based on the notion that organizations can be visualized as ‘systems:’ a system is a set of inter-related parts that operate as a whole in pursuit of common goals. A similar view is shared by Thompson (2007) who asserts that the systems approach takes the viewpoint that an organization or a company is an interconnected group of systems that all work together (or should work together) to achieve particular goals and objectives. He adds that the best way to view the system’s theory is by thinking of an organization as a machine.

(2005) Woodward argues that according to this theory, every system has four major components: (1) Inputs, which are the various resources required to produce goods and services; (2) Transformation processes, which are the organization managerial and technological abilities that are applied to convert inputs into outputs; (3) Outputs – which are the products, services and other outcomes or end-products produced by the organization; and (4) Feedback, which is information about results and organizational status relative to the environment.

Systems theory of management was thus applicable and fitting to the current study, since it is founded on the premise that a system - such as an organization or, in our case, Huduma Centres - is made up of an array of sub-systems or a set of inter-related parts that operate as 'one-whole' in order to achieve a certain purpose. This is true of Huduma Centres, where different departments/tellers) act as 'sub-systems' and work together to achieve a common purpose, which is efficient and effective service delivery to the Kenyan public. The systems theory also underscored the fact that for the larger system to be successful, the sub-systems must work in a well-coordinated manner.

## **2.5 Conceptual Framework**

The conceptual framework shows the relationship between the independent and the dependent variables. Further it demonstrated any other variables that had any influence on the two variables as summarized in Figure 1.



**Figure 1: Conceptual Framework**



### **2.5.1 Discussion of Conceptual Framework**

A conceptual framework denoted a diagrammatic representation of the relationships among various variables under study (Mugenda and Mugenda, 2003). A conceptual framework helped the researcher to easily establish the relationship between different variables under study. Figure 1 illustrated the conceptual framework used in this study. It is generally acceptable that there were many factors which are the determinants of performance of public sector enterprises. This research focused on four groups of determinants, namely: Decentralization, Level of Technology, Level of Communication and staff qualification.

The study also included moderating variables. The aim of including these factors was to help to 'check' the effect of the independent variable on the dependent variable. This was useful as it helped to rid the study of any assumptions or drawing of hasty conclusions that were based on the independent variable alone and that therefore might not have been realistic. The moderating variables for this study were: (1) Politics; and (2) Government Policy.

### **2.6 Knowledge Gap of the Literature Reviewed**

Determinants are factors that influence the performances of a programme. This research study intends to fully investigate the unique determinants that have greater influence on performance of public sector enterprise especially Huduma Centres programme. Therefore the unique and specific determinants that influences performance of public sector enterprises was the knowledge gap that this study intended to fill. The literature reviewed focused mainly on the general programme determinants of performance. However the specific influences of the totality of the determinants on the performance of Public Sector Enterprise was fully investigated. This research therefore seeks to fill that gap.

### **2.7 Summary of the Chapter**

The literature reviewed showed that at the onset, all programmes need to have a well-defined strategy on how to achieve the objectives. Lack of a clear strategy can lead to a situation where programmes fail to deliver better services to its citizens. It was very apparent from the literature reviewed that determinants are the most critical influences of performances on Public Sector Enterprises. The literature reviewed showed that proper determinants need to be established to

enhance performance of public sector enterprises. Since the programme take a long period of time, therefore efficient utilization of the available resources was thus needed. Distribution of those resources should be equitable to all departments to maximize on the output. Problem solving must always be preceded by identification, analysis and the implementation of the remedies.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter described procedures and strategies used in the implementation of the study in the following order: research design; target population, sample size and sampling procedures, data collection instruments, data collection procedures, data analysis and presentation techniques, ethical considerations, operational definition of the variables and summary of the chapter.

#### **3.2 Research Design**

According to Kothari (2008), a descriptive research design is concerned with determining the frequency with which something occurs or the relationship between variables. It is also useful for clarifying variables and shaping hypothetical constructs (Kothari, 2008). Furthermore, using descriptive design helped the researcher to determine the characteristics of a population (Walliman, 2001). Descriptive design was therefore used to investigate the determinants of performance of public sector enterprises. The use of this design was appropriate to the present study since the researcher intended to collect detailed information, both quantitative and qualitative, about the target respondents' views and opinions concerning the topic under study.

#### **3.3 Target Population**

A population can be defined as any set of persons or objects that possesses at least one common characteristic (Barton, 2001). It can also be said to be a well-defined or set of people, services, elements, events, group of things or households that are being investigated (Miles and Huberman, 1994). A target population is very significant in research, since it provides a solid foundation and first step upon which to build population validity of the study (Gall, Borg and Gall, 2003). A similar view was shared by Barton (2001), who holds that any scientific research targets a given population through which questionnaires; interview guides, focused group discussions or observation guides are distributed so as to get the desired or the required data for analysis.

The target population for this study consisted of respondents and interviewees from identified and selected key groups or strata based on the total number of Huduma Centres located within the CBD Nairobi. There were two strata, i.e., one for lower cadre employees and another for senior managers from each of the two Huduma Centres. According to the latest information present at the Directorate of e-Government, Presidency and Cabinet Affairs Office of the Ministry of Devolution and Planning ([www.hudumakenya.go.ke:51000/irj/portal/anonymous](http://www.hudumakenya.go.ke:51000/irj/portal/anonymous)), there are two (2) Huduma Centres within CBD Nairobi, City Square Post Office Huduma Centre (along Haile Selassie Avenue) and Teleposta Towers GPO Huduma Centre (along Kenyatta Avenue), each offering a similar number and type of products and services to the Kenyan public (Wanjau, 2015). Thus, the study targeted both the senior management and lower cadre employees of each of the two Huduma Centres. There are a total of 152 staff members for the two Huduma Centres, comprising of 12 senior managers and 140 lower cadre employees. The distribution of the staff members is summarized in Table 3.1.

**Table 3.1: Study Population**

<b>Group(Stratum)</b>	<b>City Square Post Office</b>	<b>Teleposta Towers GPO</b>
Senior Managers	6	6
Lower Cadre employees	70	70
<b>Total</b>	<b>76</b>	<b>76</b>

### **3.4 Sample Size Determination and Sampling Procedure of both Huduma Centres**

#### **3.4.1 Sample Size Determination**

A sample size can be defined as a small group; sub-group or sub-set obtained from the accessible population and carefully selected to be representative of the entire population, with the relevant or desired characteristics (Mugenda and Mugenda, 2003). Sampling, on the other hand, refers to the process of selecting a portion of the population that conforms to a designated set of specifications to be studied (Miles and Huberman, 1994). According to Owens (2002), sampling

is advantageous since it allows the researcher to draw generalization about the target population. He also maintains that sampling helps to reduce research bias. Similarly, it is extremely expensive, time-consuming and nearly impossible to collect data from all members of the study population, hence the need to take a sample.

The study employed Yamane's formulae in determining the sample size as outlined by Yamane (1967):

$$n = \frac{N}{1+N(e)^2}$$

Where:

n is the proposed sample size;

N is the target population (which in this case is 152);

e is standard error (which is a standard value of 0.05).

$$\text{Therefore, } n = \frac{152}{1+152(0.05)^2} = \underline{\underline{110}}$$

Calculating the sample size based on these figures, a sample size of 110 was arrived at. The above sample sizes were arrived at using proportional allocation. This is summarized on Table 3.2.

**Table 3.2: Study Population and Sample Sizes for Both Huduma Centres**

<b>Group(Stratum)</b>	<b>Study Population</b>		<b>Sample Size</b>	
	<b>City Square</b>	<b>Teleposta</b>	<b>City Square</b>	<b>Teleposta</b>
<b>Full/Permanent</b>				
Senior Managers	6	6	4	4
Lower Cadre Employees	70	70	51	51
<b>Total</b>	<b>76</b>	<b>76</b>	<b>55</b>	<b>55</b>

### **3.4.2 Sampling Procedure**

The study employed the use of both probability and non-probability sampling techniques. Probability sampling technique entailed the use of simple random sampling based. Where the sample size was divided based on some common features possessed by each group. The allocation of the samples to the two categories of employees was carried out through the proportional allocation method. The proportional allocation method was originally proposed by Bowley (1926). In this method, the sampling fraction,  $n/N$  is same in all strata. Where  $n$  represents sample size, and  $N$  represents the population size. The strata in this study consisted of staff members and senior managers from each of the two Huduma Centres. According to Kothari (2008), in simple random sampling, the target population was divided into homogenous stratum and a proportionate sample was collected from each. Non-probability sampling procedure, on the other hand, entailed the use of purposive sampling procedure, where, from each group sampled, individual respondents and interviewees were identified or selected based on one's knowledge and experience about the topic of study. In order for purposive sampling technique to be effective, early identification and selection of respondents was done by the research team (i.e., the researcher and one research assistant) during the pilot study in consultation with the various management levels within the two Huduma Centres.

According to Creswell (2004), combining the use of probability and non-probability techniques helps to make the researcher's work easier, save time and cost, and increase the reliability of the

information to be collected during field work. It also ensures that each member of the group identified and selected has a fair chance of participating. However, the use of simple disproportionate sampling was also considered by the researcher alongside purposive and stratified random sampling techniques in cases where the selected stratum with greater variation had a fairly higher number of representatives.

### **3.5 Data Collection Instruments**

The data collection instruments proposed for this study would be the questionnaire survey and interview Guide and content analysis. The questionnaire was framed in a manner that the respondents would not have any difficulty understanding the questions for purposes of clarity.

#### **3.5.1 Pilot Testing of the Instruments**

This study employed the use of structured questionnaires and interview guides as the data collection instruments. A pilot study was conducted at Kibera Huduma Centre by the researcher to test the validity and reliability of the data collection instruments chosen. The questionnaires and interview guides for pilot test were administered to 5 staff employees and two senior managers respectively. The responses were later collected and analyzed from each of the two groups. The pilot study was conducted before the actual day of collecting data, where early identification and selection of respondents was done. This process was used in revealing the adjustments that were needed on the data collection instruments.

#### **3.5.2 Validity of the Instruments**

According to Walliman, validity can be defined as the degree by which the sample of test items represents the content the test is designed to measure (2001). Validity also refers to the accuracy and meaningfulness of inferences which are based on the research results (Kothari, 2008). Mugenda and Mugenda (2003) assert that the usual procedure in assessing the validity of a measure or research instrument is to use a professional or expert in a particular field. To establish the validity of the data collection instruments chosen, the researcher used scale level content validity index (CV). Content validity refers to how accurately an assessment or measurement tool taps into the various aspects of the specific construct in question (Kothari, 2008).

Content validity was measured by relying on the knowledge of people who were familiar with the construct being measured, that is, the subject matter experts. These subject-matter experts were provided with access to the data collection and measurement tools, and were asked to provide feedback on how well each question measures the construct in question. Some of the experts were consulted for validity testing included the research project supervisor and lecturers in the Department of Distance Education and Extra-Mural Studies of the University of Nairobi. The feedback from these experts was then analyzed and informed decisions were made about the relevance of each question.

### **3.5.3 Reliability of the Instruments**

According to Walliman (2001), an instrument is reliable when it measures a variable accurately and consistently and produces the same results under the same conditions over time. Reliability can also be said to be the ability of a research instrument chosen to consistently measure characteristics of interest over time (Mugenda and Mugenda, 2003). According to Barton (2001), reliability of the research instruments can be achieved by including many similar items on a measure, testing a diverse sample of individuals and by using uniform testing procedures. In this particular study, reliability was achieved by rehearsing the application of the data collection instruments with the research assistant beforehand (during the pilot test) so as to ensure that the research assistant understood the questions contained therein. Additionally, the researcher was cautious not to introduce any new questions later in the process, or manipulate the data collected, during field work.

To establish reliability, the study employed split-half method to establish internal consistency. This involved splitting the research instruments into two: one half of even numbered items and the other of odd numbered items. The correlated results value provided the internal consistency of one half; that is the degree to which the two halves of the test were equivalent or consistent in terms of items. The coefficient is obtained through Pearson product moment formula. To obtain full reliability of the instruments, the Spearman-Brown proficiency formula was used as follows:

$$R_2 = \frac{2\{\text{reliability of test (r)}\}}{1 + \{\text{reliability of 0.5 test (r)}\}}$$



That is:  $R_2 = \frac{nr}{1+(n-1)}$

Where:

$R_2$  = Correlated reliability;

$r$  = Uncorrelated reliability;

$n$  = Number of parts.

### **3.6 Data Collection Procedures**

The current study made use of primary source of data through the administration of structured questionnaires and interview guides. The researcher engaged research assistants who were trained first on how to administer the questionnaire. According to Kothari (2008), the use of questionnaires allows for large amount of data to be collected within a shorter time. Questionnaires also cover a wider geographical area, are straightforward and are less time-consuming (Mugenda and Mugenda, 2003). The questionnaires were divided into various sections and sub-sections to adequately cover the objectives of the study and enhance comprehensibility. Their design included both closed (standardized) and open-ended questions, although with a bias for closed-ended questions. According to Gall, Borg and Gall (2003), the use of standardized questions helped to ensure more precise and accurate responses, thus promoting the reliability of the data collection instruments used and issues under study. The researcher used a 5-point Likert scale

### **3.7 Data Analysis Techniques**

According to Kothari (2008), data analysis is the whole process which starts immediately after data collection and ends at the point of interpretation and processing data. The data to be collected from field work study will be subjected to both quantitative and qualitative analysis techniques. According to Miles and Huberman (1994), linking qualitative and quantitative data analyses strengthens the overall research design, as well as the interpretation of the findings. Same view is shared by Creswell (2004), who maintains that combining both qualitative and quantitative approaches to data analysis helps to ensure that any bias inherent in particular data sources and methods would be neutralized when used in conjunction with other data sources and

methods, hence, promoting objectivity and reliability of the study. In this study, quantitative analysis was used to analyze closed-ended questions using the SPSS tool excel type.

According to Mugenda and Mugenda (2003), the use of SPSS to analyze quantitative data serves as the best, comprehensive and integrated computer programme for managing, analyzing and displaying of such data. Open-ended questions, on the other hand, were analyzed using qualitative analysis technique, which entailed the use of thematic grouping and content analysis. The findings of this analysis were presented in narration or generalized statement form, whereby those responses that carried the greatest weight regarding the issues enquired about were analyzed. Editing, coding, classifying and tabulating using the SPSS software were the processing steps that were used to process the collected data from the field for a better and efficient analysis. SPSS was used to analyze quantitative data, whereby frequencies, percentages and cumulative frequencies were generated from the various data categories. This information was then presented in form of frequency distribution tables.

### **3.8 Ethical Considerations**

Ethical consideration became a cornerstone for conducting effective and meaningful research, since it helped to ensure that no one suffered harm as a result of the research activities. Due to the normally sensitive relationships between the researcher, or a team of researchers, and the respondents or interviewees, reasonable safeguards were built during the field work study, that are based on appropriate ethical requirements and measures. Permission from the University of Nairobi in the department of extra mural was obtained for the researcher to collect the data. In data collection subjects were carefully informed, in a covering letter and in statement to protect human subjects. These included (1) the purposes and data collection method; (2) Assurance of subject's anonymity and confidentiality; (3) subject's voluntary to participate in this study or withdraw at any time; (4) The study used the collected data purely for academic purposes; and (5) The study avoided to manipulate the collected field data by the researcher during the data analysis and presentation stage. The letter also included the name and the address of the researcher.

### 3.9 Operational Definition of the Variables

**Table 3.3: Operationalization of Variables**

<b>Objective</b>	<b>Variable</b>	<b>Indicator(s)</b>	<b>Measurement of Indicator</b>	<b>Measurement Scale</b>	<b>Data Collection Instruments</b>	<b>Data Analysis Methods</b>
1.To examine the extent to which decentralization determines performance in public sector enterprises	Decentralization	- Equitable distribution of resources from the national government to county governments	Identity Card, passport	Nominal	-Questionnaires -Interview guides -Observations	-Descriptive statistics
2.To evaluate how the level of technology determines performance in public sector enterprises	Level of technology	-Productivity or service delivery outcomes	Number of computers	Nominal	-Questionnaires -Interview guides	-Descriptive statistics
3.To explore how the level of communication determines performance in public sector enterprises	Level of communication	-Quality of information collected and used	-Institutional data banks; opinion of the staff and management; etc	Nominal	-Questionnaires -Interview guides	-Descriptive statistics
4.To examine how staff qualifications determine performance in public sector enterprises	Staff qualifications	-Achievement of performance targets -Trainings undertaken	-Performance appraisal records; skills inventory records; etc	Nominal	-Questionnaires -Interview guides	-Descriptive statistics

### **3.10 Summary of the Chapter**

This chapter presented the research methodology that was used by the researcher during the field work. This was achieved by describing in details the following key aspects of the research methodology, which were: (1) Research design; (2) Target population; (3) Sample size and sampling procedures; (4) Description of data collection instruments; (5) Data collection procedures; (6) Data analysis techniques; (7) Ethical considerations; and (8) Operational definition of the variables.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

#### 4.1 Introduction

In this section, the study presents data analysis, findings using frequency distribution tables and interpretation of the findings. To achieve this, a number of aspects of the study, especially those pertaining the research objectives and conceptual framework out of which the structured questionnaire and interview guides were derived were analyzed and discussed in details herein.

#### 4.2 Response Rate for Both Huduma Centres

Response rate in a research context refers to the extent to which the collected set of data includes all sample members of the targeted population (Kothari, 2008). Response rate is calculated by the number of questionnaires collected or the number of people with whom interviews are completed divided by the number of the entire sample. In this study, data was collected from the staff members of two Huduma Centres located within CBD Nairobi County using structured questionnaires for lower cadre employees and interview guides for senior managers of the Huduma Centres. Table 4.1 shows the response rate for both Huduma Centres.

**Table 4.1: Response rate**

<b>Data Collection Instruments</b>	<b>Number of Respondents</b>	<b>Sample Size</b>	<b>Percentage</b>
Questionnaires	98	102	92.7
Interview guides	6	8	7.3
<b>Total</b>	<b>104</b>	<b>110</b>	<b>100</b>

The study presented 102 questionnaires to the respondents (lower cadre employees) and 8 interview guides to the senior managers. Out of 102 questionnaires issued, 98

questionnaires were fully filled and returned, representing a 96.1% response rate; while out of 8 interview guides, 6 interviewees were successfully interviewed, representing a 75.0% response rate. According to Mugenda and Mugenda (2003), a response rate of above 50% is adequate for analysis; hence, at 96.12% and 75%, the response rates from both the lower cadre employees and senior managers of Huduma Centres was considered to be excellent for a credible analysis.

#### **4.3 Demographic Characteristics of the Respondents and Interviewees**

This section focuses on the gender, highest level of academic qualification, staff identification, nature of employment, years of service, trainings participated and last time respondents attended the training. This information is fundamental for the study since it helped in testing the appropriateness of the respondents in answering the questions posed to them regarding the determinants of performance of Public Sector Enterprises: A Case of Huduma Centres in Central Business District (CBD), Nairobi - Kenya.

##### **4.3.1 Distribution of the respondents and interviewees by gender**

This study sought information on the gender of the respondents. The study unveiled that majority of the respondents and the findings are shown are shown in Table 4.2.

**Table 4.2: Distribution of the respondents and interviewees by gender**

	<b>Frequency</b>	<b>Percent</b>
Male	78	75.0
Female	26	25.0
<b>Total</b>	<b>104</b>	<b>100.0</b>

The study revealed that out of 104 respondents, 75.0 %( 78) of the respondents were male, while 25.0 %( 26) of the respondents were female.

##### **4.3.2 Highest level of academic qualification of the respondents and interviewees**

The study sought to establish the level of academic qualifications of the respondents and interviewees in order to find out if the level of academic qualification of staff members

would determine performance of public sector enterprise. This result is shown in Table 4.3.

**Table 4.3: Highest level of academic qualification of the respondents and interviewees**

	<b>Frequency</b>	<b>Percent</b>
Certificate	16	15.4
Diploma	38	36.5
Bachelor's Degree	45	43.3
Masters' Degree	5	4.8
<b>Total</b>	<b>104</b>	<b>100.0</b>

Out of 104 respondents 15.4%(16) of the respondents had a Certificate as the highest level of qualification, 36.5%(38) had a Diploma as the highest level of qualification, 43.3%(45) had a Bachelor's Degree as the highest level of qualification, while only 4.8%(5) had a Masters' Degree as the highest level of qualification. This clearly demonstrated that the workforce at both Huduma Centres had diverse academic qualifications, which is essential for service delivery.

#### **4.3.3 Staff identification**

This study sought to find out the authentic staff members of Huduma Centres from the lower cadre employees for both Huduma Centres. This information is captured in Table 4.4.

**Table 4.4: Staff identification**

	<b>Frequency</b>	<b>Percent</b>
Yes	92	93.9
No	6	6.1

<b>Total</b>	<b>98</b>	<b>100.0</b>
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From the findings, 93.9 %( 92) of the respondents were full staff members of Huduma Centres, whereas the remaining 6.1 %( 6) were not. The 6.1% were individuals who were undergoing their internship or attachment experience.

#### **4.3.4 Nature of employment**

The study sought to establish the nature of employment the respondents (lower cadre employees). The findings are tabulated in Table 4.5.

**Table 4.5: Nature of employment**

	<b>Frequency</b>	<b>Percent</b>
Full/Permanent	84	85.7
Part time/casual	8	8.2
Internship/attachment	6	6.1
<b>Total</b>	<b>98</b>	<b>100.0</b>

Insofar as the nature of the employment is concerned, majority 84(85.7%) of the respondents were on full/permanent contract, those on part time/casual employment were 8(8.2%), whereas those on internship/attachment were 6(6.1%).

#### **4.3.5 Years of service**

The study intended to establish the number of years of Huduma Centres employees that the respondent and interviewees had worked. The respondents were asked to choose range of years they have worked at Huduma Centres. Their response is as shown on Table 4.6.

**Table 4.6: Years of service**

	<b>Frequency</b>	<b>Percent</b>
Less than one year	4	3.8
One year	92	88.5



Two years	8	7.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

From table 4.6, most 92(88.5%) of the respondents and interviewees had served for one year, while 8(7.7%) had served for two years.

#### **4.3.6 Type of training participated in**

The study sought to determine whether the number of Huduma Centre staff members who have received any of the type of trainings to improve the performance of public sector enterprises (Huduma Centres). The findings were presented in table 4.7.

**Table 4.7: Trainings participated in**

	<b>Frequency</b>	<b>Percent</b>
Workshops	74	71.2
In-service courses	13	12.5
None	17	16.3
<b>Total</b>	<b>104</b>	<b>100.0</b>

Out of 104 respondents and interviewees, majority 74(71.2%) of them had participated in workshop trainings, with 13(12.5%) attending in-service courses, while the remaining 17 (16.3%) had not attended any training.

#### **4.3.7 Last time the respondent attended training**

The study sought to find out the last time respondents had attended the training in order to check that training had contributed to good performance. The findings are presented in table 4.8.

**Table 4.8: Training attendance by respondent**

	<b>Frequency</b>	<b>Percent</b>
Less than a year ago	87	83.7
One year ago	10	9.6

Two years ago	7	6.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

Out of 104 respondents and interviewees majority 87(83.7%) of them had attended a training less than a year ago, 10(9.6%) had attended a training one year ago, while 7(6.7%) had attended a training two years ago.

#### **4.4 Discussion of the study findings**

The study discusses the findings based on the following research objectives:

##### **4.4.1 Influences of Decentralization Determines Performance in Public Sector Enterprises**

The study sought to find out whether the organization embraces the decentralization which in return has an influence of the performance in public sector enterprises. The results are shown in table 4.9.

**Table 4.9: Whether the organization embraces decentralization**

	<b>Frequency</b>	<b>Percent</b>
Yes	100	96.2
No	4	3.8
<b>Total</b>	<b>104</b>	<b>100.0</b>

Majority 100(96.2%) of the respondents said that indeed their organization (Huduma Centre) embraces decentralization, whereas the remaining 4(3.8%) said that it does not. According to Conyers (2007), decentralization refers to anything from the de-concentration of administrative responsibilities within a single government agency to the devolution of power over all basic local services to semi-autonomous local authorities. Similar views are shared are by the World Bank Group (2002), which defines decentralization to mean a process or situation of transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi-independent government organizations and/or the private sector. On his part,

Rondinelli (2009) observes that decentralization entails the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations or the private sector. This transfer can be through de-concentration, delegation, devolution, privatization or deregulation, and involves a combination of dimensions of fiscal, administrative, political and economic powers and functions.

#### 4.4.2 The Extent to which Various Services Have Been Decentralized

The study sought to find out the perception of the Huduma Centre employees concerning the extent to which decentralization of certain service have been made by the government. The questionnaires were distributed and were answered. The result is shown in table 4.10

**Table 4.10: The extent to which various services have been decentralized**

Type of service	Very low extent			Large extent	Very large extent
	Very low extent	Low extent	Neutral	Large extent	Very large extent
(a) ID Cards	0.0%	0.0%	3.8%(4)	69.2%(72)	36.5%(38)
(b) Passports	0.0%	0.0%	0.0%	65.4%(68)	34.6%(36)
(c) Renewal of Licenses	0.0%	0.0%	0.0%	17.3%(18)	82.7%(86)
(d) I-Tax Registration	0.0%	0.0%	4.8%(5)	17.3%(18)	77.9%(81)

(e) Certificate of Good Conduct	0.0%	0.0%	11.5%(12)	88.5%(92)	0.0%
(f) Birth Certificates	0.0%	0.0%	18.3%(19)	75.0%(78)	6.7%(7)
(g) Registration of Welfare Groups	0.0%	0.0%	5.8%(6)	81.7%(85)	12.5%(13)

From the results, 72(69.2%) of the respondents said that Identification Cards service has been decentralized to a large extent; 68(65.4%) of them said that the passports service has been decentralized to a large extent; 86(82.7%) said that renewal of licenses has been decentralized to a very large extent; 81(77.9%) of them said that I-tax registration service has been decentralized to a very large extent; 92(88.5%) said that certificates of good conduct service has been decentralized to a large extent; 78(75.0%) of them said that birth certificates service has been decentralized to a large extent; while and 85(81.7%) said that registration of welfare groups service has been decentralized also to a large extent.

#### 4.4.3 If the decentralization of government services has led to efficient and effective service delivery in the public sector

The study wanted to find out whether the decentralization of the government services had led to performance in public sector enterprises. The findings are presented in table 4.11.

**Table 4.11: Whether decentralization has led to efficient and effective service delivery**

	Frequency	Percent
Yes	96	92.3
No	8	7.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

96(92.3%) of the respondents and interviewees agreed that this is the case, while 8(7.7%) said no. Those who agreed that decentralization of government services has led to efficient and effective service delivery in the performance in public sector enterprises

argued that since the introduction of decentralization, delivery of government services has been faster and cheaper, since some services can be performed online by clients themselves without having to travel to a physical office. For instance, clients are able to file their own tax returns using I-tax service, apply or renew their own driving licenses, as well as make passport applications online.

These findings concur with those of Robinson (2007) who holds that decentralization, if well done, can contribute to high performance of the public sector enterprises as a result of proper utilization of the available resources given and maximization of profits made for expansion. Similarly, decentralization helps to promote efficiency of a redistribution program, especially when such a program affects the incentives in the productive system (Roman, 2010). This is also in line with the Constitution of Kenya 2010, which overhauled the former local government system by establishing devolved form of governance through the formation of forty-seven county governments; and Article 196 of the Constitution of Kenya 2010 expressly obligates the county governments to institutionalize decentralization in their counties through active citizen participation in decision making processes. This is expected to improve the governance of the devolved governments, including service delivery.

#### **4.4.4 Standard procedures of distributing or sharing of key resources between the national and county governments**

The study sought to establish whether the Huduma Centres had standard procedures of distributing or sharing of key resources (such as physical, financial and technical) between the national and county governments. The findings are as shown in table 4.12.

**Table 4.12: Existence of standard procedures of distributing or sharing of key resources**

	<b>Frequency</b>	<b>Percent</b>
Yes	37	35.6
No	67	64.4
<b>Total</b>	<b>104</b>	<b>100.0</b>

Majority 67(64.4%) of the respondents the lower cadre employees and interviewees (senior manager) employees said that there are no such procedures in place yet, while only 37(35.6%) agreed that such procedures exist. Those who agreed that such procedures do exist were of the opinion that the current procedures on resource sharing between the national and county governments are mainly based on the level of need and population density per region or county.

These findings are in line with those of Cheema and Rondinelli (2007) who maintain that for any form of decentralization to take shape and be effective, clear procedures in terms of sharing key public resources must be put in place. Furthermore, the authors argue that such procedures become very critical, especially when it comes to the fiscal decentralization, which entails the means and mechanisms of fiscal cooperation in sharing public revenues among all levels of government. Accordingly, UNDP (2005) and Phillip (2009) list four aspects that entail effective fiscal decentralization as: the assigning of clear expenditure responsibilities; clear revenue responsibilities; inter-governmental fiscal transfer mechanisms from the central to local governments; and authorization for borrowing and revenue mobilization through loan guarantees from the central government.

#### **4.4.5 Measures of monitoring distribution of resources**

The study intended to establish whether there are measures put into place to monitor the distribution of resources. The result was summarized as shown on table 4.13.

**Table 4.13: Measures of monitoring distribution of resources**

	<b>Frequency</b>	<b>Percent</b>
Yes	100	96.2
No	4	3.8
<b>Total</b>	<b>104</b>	<b>100.0</b>

100(96.2%) of the respondents the lower cadre employees and interviewees (senior manager employees) said there were measures for monitoring resources distribution or

sharing between the two levels of government, while 4(3.8%) said that such measures do not exist. Those who agreed that such measures are in place argued that some of the monitoring measures in place involve data use, where a staff member can only access data pertaining his or her area of operation. Also all CPUs (central processing units) are not at the disposal of the staff; they are controlled and managed from one central office under the headship of the Chief IT Officer. In addition, the Huduma Centres use specialized computer software called VMware as a main server and controller of all information being used across various departments. These measures are meant to promote the integrity and credibility of the client information collected and stored by the Huduma Centres.

These findings correlate with those of Devas and Grant (2003) who observe that for any form of decentralization to be effective, proper measures of monitoring the use and distribution of key resources must be developed and implemented. For instance, the authors maintain that devolved governments by design are expected to be downwardly accountable to the citizens, horizontally accountable to the elected officials and upwardly accountable to the central government. For them, this is the best way of enabling the various levels of government to run their project in various counties.

#### **4.5 Influence of the Level of Technology on Performance in Public Sector Enterprises**

The researcher sought to find out if the level of technology influences performance of public sector enterprises.

##### **4.5.1 Distribution of respondents on the influence of the level of technology on performance in public sector enterprises**

The study sought to establish if the level of technology being used by Huduma Centres influences the performance of public sector enterprises. The findings presented in table 4.14.

**Table 4.14: Distribution of respondents by the level of technology**

	<b>Frequency</b>	<b>Percent</b>
Yes	94	90.4
No	10	9.6
<b>Total</b>	<b>104</b>	<b>100.0</b>

Out of 104 respondents of the lower cadre employees and interviewees (senior manager employees) 94(90.4%) of them agreed that the level of technology being used indeed determines the performance of public sector enterprises, while 10(9.6%) were of the contrary opinion. Those who agreed said the technology being used by the Huduma Centres has helped to improve service delivery and increase productivity.

These findings are in line with those of Phillip (2009), who holds that information and communications technology (ICT) is pivotal to modern government service delivery and fundamental to the strategies for public service reform. For him, the creation of new information and communication systems are seen as an essential component in the creation of accountability and it increases performance of public sector enterprises. Similar views are shared by Heeks (2008) who maintains that when fundamental decisions have been reached, information about those decisions and their outcomes must flow to all those to whom the decision-maker is accountable; and this can only be made possible through the use of an effective IT system. Without such information flow, and without the information system to carry that flow, there can be no accountability, since there can be no knowledge of the decision (Phillip, 2009; Heeks, 2008).

#### **4.5.2 Duration taken to process a National Identification Card (ID) after application**

The study sought to examine the time taken to process the National Identification Card (ID). The result is shown on table 4.15.

**Table 4.15: Duration taken to process a National Identification Card (ID)**

	<b>Frequency</b>	<b>Percent</b>
Two (2) weeks	74	75.5
Three (3) weeks	15	15.3



One month	10	10.2
<b>Total</b>	<b>98</b>	<b>100.0</b>

Majority 74(75.5%) of the respondents said it takes two (2) weeks to process an ID after application, while minority 10(10.2%) said that it takes one month.

#### **4.5.3 Availability of technologies to reduce time delay in the processing of National Identification Cards**

The study intended to establish whether there are any available technologies that reduce the delay of National Identification processing. The respondents' views are shown on table 4.16.

**Table 4.16: Available technologies to reduce time delay in the processing of ID cards**

	<b>Frequency</b>	<b>Percent</b>
Yes	97	93.3
No	7	6.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

Majority 97(93.3%) of the respondents the lower cadre employees and interviewees (senior manager employees) said that there were technologies that were being used to reduce time delay in the processing of National Identification cards by the Huduma Centres. Also all the interviewees agreed that there are such technologies. Only 7(6.7%) said that there were no such technologies. The findings are presented in table 4.19. Those who agreed mentioned the use of digital cameras, photo printer and well-lighted photo booth as some of the technologies being used by the Huduma Centre.

According to Munirat, Sanni and Kazeem (2014), management information systems (MIS) basically concerns with processing of data into information. Data collection involves the use of information technology (IT) comprising of computers and telecommunications networks (such as email, voice mail, Internet, telephone, etc).

Computers are important for more quantitative than qualitative data collection, storage and retrieval. Special features of a good IT system are speed, accuracy and storage of large amount of data. Telecommunications also provide the means for one-way or two-way communication and for the transmission of messages. IT also comprises of telephones, computers, processors, printers, among others (Laudon and Laudon, 2006). Similarly, the level of technology has given boost to the performance in public sector enterprises in helping to translate government visions and needs into policies, policies into programmes and objectives, objectives into goals, goals into action and action into results that should matter to people and meet the needs of the country (Turner and Hulme, 2007). Thus, the implementation of ICT and management information systems in public sector enterprises serves as a significant part of growing a country’s economy and development agenda. This has enabled to the services to be quickly delivered within a short period of time.

#### **4.6 Influence of the level of communication on performance in public sector enterprises**

This study sought to find out the extent to which the level of communication had influenced the performance of Huduma Centres as one of the Public Sector Programmes.

##### **4.6.1 Whether the level of communication determines the performance in public sector enterprises**

The study sought to establish whether the level of communication they use determines the performance. The result is shown in table 4.17.

**Table 4.17: whether the level of communication determines the performance in PSEs**

	<b>Frequency</b>	<b>Percent</b>
Yes	100	96.2
No	4	3.8
<b>Total</b>	<b>104</b>	<b>100.0</b>

Most 100(96.2%) of the respondents of the lower cadre employees and interviewees (senior manager employees) said that the level of communication does determine the performance of public sector enterprises, while only 4(3.8%) were negative. Those who agreed argued that communication helps to bring forth issues and problems that are likely to hinder performance, hence helping them to be resolved on time. They also said that communication is very key in decision making in any organization; and decision making influences organizational performance.

According to Haubner (2003), communication is important in both its approaches, i.e., top-down and bottom-up: in the top-down case, a form of explicit communication is a requirement implied by the necessity for individual components to access remote resources according to the global design, while in the bottom-up case, communication is optional in so far as the impact of the propagation of the information throughout the system on the emergent behaviour is more likely to have a positive side effect of the design rather than an expected feature required in the specification. Also the manner in which an organization conveys its messages is very crucial to its performance.

#### **4.6.2 The commonest channel of communicating within (inside) the organization**

The study sought to examine the commonest channel of communication that is being used by the Huduma Centres employees to convey messages internally. The findings are shown in table 4.18.

**Table 4.18: The commonest channel of communicating within the organization**

	<b>Frequency</b>	<b>Percent</b>
Internet/Email	35	33.7
Telephone/Mobile	45	43.3
Internal memos	10	9.6
One on one (Verbal)	14	13.5
<b>Total</b>	<b>104</b>	<b>100.0</b>

Insofar as the channels of communication are concerned, majority 45(43.3%) of the respondents the lower cadre employees and interviewees (senior manager employees) said that telephone/mobile phones are the commonest channel of communication that was being used within the organization, while minority 10(9.6%) named internal memos as the commonest channel. This information is represented in table 4.18. From the table, the total frequency is more than the number of respondents because some respondents made more than one choice for an answer.

#### 4.6.3 The commonest channel of communicating with external clients

The study also sought to establish the commonest channel of communication that was being used to communicate with external clients. The result is shown in table 4.19.

**Table 4.19: The commonest channel of communicating with external clients**

	<b>Frequency</b>	<b>Percent</b>
Internet/Email	23	23.5
Telephone/Mobile	46	46.9
Suggestion boxes	17	17.3
Posters	12	12.2
<b>Total</b>	<b>98</b>	<b>100.0</b>

Majority 49(46.9%) of the respondents said that telephone/mobile communication is the commonest medium that is used, while posters are the least common channel of communicating with external clients with 12(12.2%).

According to Simatupang and Sridharan (2005), information is the glue that holds organizations together and can be used to integrate public sector enterprises activities - both within and across multiple sectors. Due to demand of information, organization had employing different channels of communication to share information across the board. Such channels are Mobile phones, internet or email and others use notice board. The forecasting and replenishment is recognized as a central component in integration of planning and control: internal integration focuses on cross-functional processes, while

external integration focuses on relationships with outside customers and suppliers. According to Phillip (2009), such a relationship can have various intensity levels, ranging from lowest open-market negotiations, cooperation and coordination to the highest collaboration level. Additionally, any channel of communication chosen should be able to link performance systems with decision making, information sharing and incentive alignment in the departments (Simatupang and Sridharan, 2005).

#### **4.6.4 Standard procedures of conveying information in and out of the organization**

The study sought to find out if the Huduma Centres have standard procedures of communicating or conveying information in and out of the organization. The findings are as shown in table 4.20.

**Table 4.20: Standard procedures of conveying information in and out of the organization**

	<b>Frequency</b>	<b>Percent</b>
Yes	96	92.3
No	8	8.0
<b>Total</b>	<b>104</b>	<b>100.0</b>

From the findings, 96(92.3%) of the respondents the lower cadre employees and interviewees (senior manager employees) said that such procedures were in place, while only 8(8.0%) said that the institutions didn't have such procedures. Those who agreed that such standard procedures of communicating information do exist within their various institutions said that there are clear lines of communication, whereby within the organizational structure, there are complain management systems that monitor the flow of feedback between the organization and the clients. The team leaders are also charged with the responsibility of ensuring that any barriers to effective communication are minimized as much as possible.

#### **4.6.5 Respondents measures of monitoring flow of information**

The sought to establish whether there are any measures put forward to monitor the flow information in and out of the organization. The findings are as shown in table 4.21.

**Table 4.21: Respondents measures of monitoring flow of information**

	<b>Frequency</b>	<b>Percent</b>
Yes	90	86.5
No	14	13.5
<b>Total</b>	<b>104</b>	<b>100.0</b>

From the findings, majority 90(86.5%) of the respondents and interviewees said that there are measures in place for monitoring the flow of information, whereas 14(13.5%) were of a contrary opinion. Those who agreed said that one of the measures of controlling information flow involves the use of passwords and PINs to enable one to access information that is only within his or her reach. Also confidential information is confined within the realm of the senior management and it is served with secure encryptions.

#### **4.7 Examining how staff qualification determines performance in public sector enterprises**

##### **4.7.1 Respondents staff qualifications**

The study sought examine if staff qualification determines performance. The result is summarized in table 4.22.

**Table 4.22: Respondents staff qualifications as a determinant in performance in public sector enterprises**

	<b>Frequency</b>	<b>Percent</b>
Yes	95	91.3
No	9	8.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

Most 95(91.3%) of the respondents the lower cadre employees and interviewees (senior manager employees) said that staff qualifications determines performance in public sector enterprises, while 9(8.7%) were of a contrary opinion. Those who agreed said that a qualified staff understands the technical aspects of the tasks involved in a job better than one who is not. They also said that once someone is well qualified, they stand a better chance of meeting performance targets and client expectations. These findings are in line with those of Saunders (2007) who believes that successful functioning of organizational structures and effective operation of planning control systems is dependent on the quality and ability of staff employed. According to him, strategic plans should include information on the acquisition, development, use and reward of human assets. He also advocates that all employees need broad and continuous education and training, which should be skill and process-oriented.

#### **4.7.2 Respondents' main area of academic specialization**

The study wanted to find out the major area of respondents' academic specialization in order to establish whether they are placed on the right job. The result is shown in table 4.23.

**Table 4.23: Respondents' main area of academic specialization**

<b>Areas of Specialization</b>	<b>Frequency</b>	<b>Percent</b>
Secretarial	4	3.7
IT	43	39.8
Procurement/Logistics	12	11.1
Human Resource	18	16.7
Project Management	7	6.5
Criminology	4	3.7
Sales and Marketing	12	11.1
Any other (e.g., Disaster Management and Gender Studies)	8	7.4
<b>Total</b>	<b>108</b>	<b>100.0</b>

Out of 40 respondents 4(3.7%) of the respondents had specialized in Secretarial; 43(39.8%) in IT; 11.1 %( 12) in Procurement/Logistics; 18(16.7%) in Human Resource; 7(6.5%) in Project Management; 4(3.7%) in Criminology; 12(11.1%) in Sales and Marketing; and 8(7.4%) had specialized in other areas – such as Disaster Management and Gender Studies. According to Saunders (2007), successful functioning of organizational structures and effective operation of planning control systems is dependent on the quality and ability of staff employed. Thus, for him, strategic plans should include information on the acquisition, development, use and reward of human assets. He also advocates for extensive development of multi-skilling as a means of provides employees with a variety of skills. In addition, he proposes for training, since it is beneficial and it generates more than the equivalent cost in payback. Similarly, Conyers (2007) maintains that the ever increasing popularity of purchasing partnership philosophy, organizations must take a closer look at the educational levels of public sector staff.



### 4.7.3 Determinants of Performance (Independent Variables)

The researcher further sought to find out the extent to which respondents agreed or disagreed with the various determinants of performance. The findings were summarized in table 4.24.

**Table 4.24: Determinants of Performance (Independent Variables)**

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
(a) Decentralization is a determinant of performance in public sector enterprises	0.0%	0.0%	10.2%(10)	24.5%(24)	65.3%(64)
(b) Level of technology determines the performance in public sector enterprises	0.0%	0.0%	0.0%	33.7%(33)	66.3%(65)
(c) Level of communication is a determinant of performance in public sector enterprises	0.0%	0.0%	0.0%	43.5%(41)	56.5%(57)

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(d) Staff qualifications					
determines the performance in public sector enterprises	0.0%	0.0%	0.0%	44.9%(44)	55.1%(54)

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The findings show that 65.3%(64) strongly agreed that decentralization is a determinant of performance of public sector enterprises; 66.3%(65) strongly agreed that level of technology determines the performance of public sector enterprises; 56.5%(57) strongly agreed that level of communication is a determinant of performance of public sector enterprises; and 55.1%(54) strongly agreed that staff qualifications determines the performance of public sector enterprises. According to Kiragu and Mutahaba (2006), it is important for the national and county leadership (including the governor and his deputy, county ministers, MCAs and county employees in general) to know the importance of having qualified staff in public sector enterprises to enhance better performance. In order to achieve this goal, there is great need to develop trainings that can produce and or provide exportable knowledge and skills that are comparable to the best in the world by both the national and county governments in Kenya (IMF, 2010).

In line with these views, the GoK (2004) maintains that the pillars of devolved governance is to setup ICT hubs, which will drive the county governments towards an e-Government services, which aims at ensuring provision of e-Government information and services as key to improving productivity, efficiency, effectiveness and governance in all key sectors. Therefore, the development of quality ICT Human Resources is a pre-requisite to the development of a viable ICT sector that integrates revenue collection system (IMF Report, 2014; GoK, 2013; Kiragu and Mutahaba, 2006). Developing an ICT Human Resources will help ensure that the process of developing, implementing, using and managing of information systems in place becomes an integral and sustainable component of development, specifically for Kenyan government, and more so the County governments in Kenya (IMF, 2000).

#### **4.8 The influence of Moderating Factors on performance in public sector enterprises**

This study sought to know whether moderating factors such as politics and government policy influences performance of public sector enterprises.

##### **4.8.1 Influence of Politics on performance in public sector enterprises**

The study sought to establish whether it is true that politics (internal or external) determines performance in public sector enterprises. These findings are summarized in table 4.25.

**Table 4.25: Influence of politics on performance in public sector enterprises**

	<b>Frequency</b>	<b>Percent</b>
Yes	101	97.1
No	3	2.9
<b>Total</b>	<b>40</b>	<b>100.0</b>

From the findings, 97.1% of the respondents the lower cadre employees and interviewees said that indeed politics does determine performance; while 2.9% said it does not determine.

##### **4.8.2 The Nature of Influence of Politics on performance**

Further, the study wanted to establish whether politics influences performance in public sector enterprises either positively or negatively. The findings were summarized in Table 4.26.

**Table 4.26: Nature of influence of politics on performance**

	<b>Frequency</b>	<b>Percent</b>
Positive	13	12.5

Negative	91	87.5
<b>Total</b>	<b>104</b>	<b>100.0</b>

From the finding, majority (87.5%) of the respondents the lower cadre employees and interviewees (senior manager employees) said that the influence was negative, while the remaining (12.5%) said that the influence was positive. Those who said that the influence is positive were of the opinion that politics and politicians have worked to ensure that there is regional balance in terms of employment in the public sector. As a result, there is diversity in terms of skills and experiences, which in turn promotes better performance. On the other hand, those who said that the influence is negative held the view that politics delays decision making since it promotes bureaucracy. They also said that politics promotes biasness in terms of equitable sharing of critical public resources.

Some of these findings are in line with the views of Cheema & Rondinelli (2007), who maintain that administrative decentralization involves the transfer of central government structures and bureaucracies to local level, and that this is a political decision. According to them, this form of decentralization entails de-concentration, where the authorities at the sub-national level plan and deliver services while remaining fully accountable to the appointing central office; there may also be levels of citizen involvement, but the local officials are subject to directives from above, some of which may negate the preferences of the local population (Steiner, 2005). However, Blunt and Turner (2007) argue that good politics that promotes proper forms of decentralization can deliver on the citizen expectations by ensuring equity in resource distribution, stability and consistency of resource allocation and highly skilled manpower available to the local population. Hence, this can lead to enhanced sustainability and good performance of the public sector enterprises.

#### **4.8.3 Influence of government policy on performance in public sector enterprises**

The study sought to establish whether government policy (internal or external) determines performance of public sector enterprises. The findings presented in table 4.27.

**Table 4.27: Influence of government policy on performance in public sector enterprises**

	<b>Frequency</b>	<b>Percent</b>
Yes	96	92.3
No	8	7.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

Out of 104, 92.3 %( 96) of the respondents the lower cadre employees and interviewees (senior manager employees) said that government policy has an influence on the performance of public sector enterprises, while only 7.7%(8) were of the contrary opinion.

#### **4.8.4 The Nature of Influence of government policy on performance**

In addition, the study wanted to find out the nature of the influence of government policy on performance of public sector enterprises. The findings were summarized and presented in table 4.28.

**Table 4.28: Nature of influence of government policy on Performance**

	<b>Frequency</b>	<b>Percent</b>
Positive	97	93.3
Negative	7	6.7
<b>Total</b>	<b>104</b>	<b>100.0</b>

According to the findings most 93.3 %( 97) of the respondents the lower cadre employees and interviewees (senior manager employees) said that the influence was positive, while 6.7 %( 7) said that the influence was negative. Those who said that the influence was positive were of the opinion that government policies help to provide a standard framework within which public sector operates. This helps to promote uniformity, values and ethics which in turn help to promote transparency and public trust. Those who were of the contrary opinion said that some government policies are obsolete and limiting,

hence the need to revise them or enact more progressive ones that factor in the signs of the times.

#### 4.9.5 Various Determinants in Performance (Moderating variables)

The study sought to establish the extent moderating variables have determined performance. The result was summarized in table 4.29.

**Table 4.29: Determinants in Performance (Moderating variables)**

	<b>Very low extent</b>	<b>Low extent</b>	<b>Neutral</b>	<b>Large extent</b>	<b>Very large extent</b>
(a) Politics determines or influences the performance of public sector enterprises	0.0%	0.0%	28.8%(30)	41.3%(43)	29.8(31)
(b) Government policy is a determinant of performance of public sector enterprises	0.0%	0.0%	11.5%(12)	51.9%(54)	36.5%(38)

The findings depicted that 41.3 %( 43) of the respondents the lower cadre employees and interviewees (senior manager employees) said that politics determines the performance in public sector enterprises to a large extent; while 51.9%( 54) said that government policy is a determinant in performance of public sector enterprises to a large extent.

#### **4.9.6 Comments or suggestions on how performance in public sector enterprises can be improved**

Insofar as the above issue is concerned, a good number of the respondents and interviewees were of the opinion that for the performance of public sector enterprises to improve, there is need to: respond to the client feedback in a timely and honest manner; involve all levels of management in decision making processes; minimize on bureaucracy and red tape that is inherent in most public sector enterprises; avoid discrimination and promote equity in terms of remuneration, training and promotion opportunities; and provide a healthy work environment.

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The main aim of this study was to investigate determinants of performance of public sector enterprises. Huduma Centres in Central Business District, Nairobi-Kenya were used as a case for study. This chapter presents the summary of the findings, conclusions, recommendations for policy action and suggestions for further studies. The findings were summarized in line with the objectives of the study.

#### **5.2 Summary of the Findings**

In the first objective, the study sought to examine whether decentralization of government services determines performance in public sector enterprises. From the findings shown in table 4.27, it was found out that 92.3 %( 96) of the respondents and interviewees agreed that this is the case, while 7.7 %( 8) said no. Those who agreed that decentralization of government services has led to efficient and effective service delivery in the public sector enterprises argued that since the introduction of decentralization, delivery of government services has been faster and cheaper, since some services can be performed online by clients themselves without having to travel to a physical office. For instance, clients are able to file their own tax returns using I-tax service, apply or renew their own driving licenses, as well as make passport applications online. These findings are presented in table 4.11.

The second objective wanted to evaluate how the level of technology determines performance in public sector enterprises. From the findings presented in table 4.14, respondents of the lower cadre employees and interviewees (senior manager employees) 90.4 %( 94) of them agreed that the level of technology being used indeed determines the performance in public sector enterprises, while 9.6 %( 10) were of the contrary opinion. Those who agreed said the technology being used by the Huduma Centres has helped to improve service delivery and increase productivity since the Huduma Centres have



embraced state-of-the-art technologies – such as digital cameras, photo printer and well-lighted photo booth – that have helped to cut down on time wastage and cost.

The third objective pertained exploring how the level of communication determines performance of public sector enterprises. The findings summarized in table 4.17 showed that most 100(96.2%) of the respondents of the lower cadre employees and interviewees (senior manager employees) said that the level of communication does determine the performance of public sector enterprises, while only 4(3.8%) said no. Those who agreed argued that communication helps to bring forth issues and problems that are likely to hinder performance, hence helping them to be resolved on time. They also said that communication is very key in decision making in any organization; and decision making influences organizational performance.

The fourth and last objective sought to examine how staff qualification determines performance of public sector enterprises. From the findings, Most 95(91.3%) of the respondents the lower cadre employees and interviewees (senior manager employees) said that staff qualifications determines performance of public sector enterprises, while 8.7 %(9) were of a contrary opinion. Those who agreed said that a qualified staff understands the technical aspects of the tasks involved in a job better than one who is not. They also said that once someone is well qualified, they stand a better chance of meeting performance targets and client expectations. These findings are summarized and presented in table 4.22.

Politics and government policies were also mentioned as ‘other’ determinants of performance in public sector enterprises. From the findings, 97.1 %( 101) of the respondents the lower cadre employees and interviewees (senior manager employees) said that indeed politics does determine performance; while 2.9 %( 3) said it does not determine. These findings are summarized in table 4.25. In addition, 92.3%(96) of the respondents the lower cadre employees and interviewees (senior manager employees) said that government policy has an influence on the performance of public sector enterprises, while only 7.7%(8) were of the contrary opinion. The findings are summarized in table 4.27.

Besides decentralization, level of technology, level of communication and staff qualification, politics and government policies, quality and frequency of staff motivation, effective leadership and management, and the employees' attitude and perception were mentioned as some of the factors that also influence performance of the public sector enterprises positively or negatively.

### **5.3 Conclusions**

Management staff is people oriented and quality oriented. Technical staffs are dedicated and competent. Customer satisfaction is considered the most important factor in defining quality systems. In this sense, Huduma Centres has become a committed Total Quality Management programme. Interview results clearly reflect this new direction. At Huduma Centres, managers have created an environment which promotes enthusiasm and cooperation and foster excellence among employees. In turn, technical staffs feel a spirit of teamwork and cooperation not only within the department but also within the entire Sector.

Therefore this study examined the extent to which decentralization, level of technology, level of communication and staff qualification determined the performance of public sector enterprises programme in Central Business District. The study was successful in addressing the research questions. From the findings, discussion and summary the conclusions were as follows:

The study revealed that out of 104 respondents, the lower cadre employees and interviewees (senior managers), 75.0 % ( 78) of them were male, while 25.0 % ( 25) were female. The findings are presented in table 4.2. The study found out that a good number of the respondents 37.5% had a Bachelor's Degree as the highest level of qualification, while only 7.5% had a Masters' Degree as the highest level of qualification. The findings presented and summarized in table 4.24, The findings show that 65.3%(64) strongly agreed that decentralization is a determinant of performance of public sector enterprises; 66.3%(65) strongly agreed that level of technology determines the performance of public sector enterprises; 56.5% (57)strongly agreed that level of communication is a determinant of performance of public sector enterprises; and 55.1%(54) strongly agreed

that staff qualifications determines the performance of public sector enterprises. Furthermore the findings depicted that 41.3 %( 43) of the respondents the lower cadre employees and interviewees (senior manager employees) said that politics determines the performance of public sector enterprises to a large extent; while 51.9%(54) said that government policy is a determinant of performance of public sector enterprises to a large extent. These findings are presented in table 4.29.

This study concluded that the Huduma Centres were performing on the positive in all the four determinants of performance of public sector enterprises studied as they all recorded positive performance mean scores. Overall level of technology was the most significant driver in performance of Public sector enterprises, secondly decentralization, thirdly level of communication, and lastly staff qualifications recorded the fourth one. The findings indicated a significant positive relationship between the determinants and the performance of public sector enterprises.

Based on the summary of findings, the following conclusions were made: having motivated and well qualified staff and effective communication and monitoring systems are crucial for enhanced performance of public sector enterprises. On the other hand, failure to automate public service systems and non-adoption of ICT systems impacts a negative performance.

#### **5.4 Recommendations for Policy Action**

The following recommendations were made based on the findings and conclusions of the study:

- i. More government services need to be decentralized so as to enhance efficient and effective service delivery in the public sector enterprises, especially in those areas that have the greatest need and where infrastructure is poor. Such areas may include issuance of tax compliance certificate.
- ii. There is greater need for public sector institutions to develop and implement standard procedures in the distributing and sharing of key resources - such as physical, financial and technical between the national and county governments.

- iii. As an additional measure of monitoring distribution and sharing of key public resources between the national and county governments, there is need for public sector enterprises to have a Monitoring and Evaluation Officer to oversee the use and distribution of these resources.
- iv. Achieving the paradigm shift within the ICT sector shall enable new frontiers of knowledge as well total automation and streamlining of public sector enterprises functions is yet to be realized. Huduma Centres are new project for the government therefore requires skilled professions that are well trained for the job. The appropriate authorities need to ensure that public sector enterprises are managed by qualified staff to ensure performance. Further research on other factors such as leadership, ethics, integrity and governance is recommended

### **5.5 Suggestions for Further Studies**

The following suggestions for further studies were made:

- i. The current study focused on determinants of performance in public sector enterprises. A similar study can be done using the private sector organizations.
- ii. The scope of this research was broad and attempted to assess the determinants of performance of the public sector enterprises. The study was limited to the Huduma Centres within the CBD Nairobi, and the findings cannot be equally generalized to apply to the private sector entities and other government organizations too. In connection to this limitation, it is possible to carry out further research how the issues look like in other sectors.
- iii. Since the current study did not explore deeply on the individual determinants of performance, further studies can be conducted on each of the determinants, especially in ascertaining the influence of management information systems on the performance of public sector enterprises.
- iv. Further studies can also be conducted on the role of monitoring and evaluation (M&E) system on the performance of public sector enterprises.
- v. The current study found that the variables considered; Decentralization, level of technology, level of communication, and staff qualifications accounted for 31%

variability in performance of public sector enterprises; implying that the 69% could be due to other factors beyond the scope of the current study. Further research is recommended on factors such as leadership, ethics, integrity and governance

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## APPENDICES

### APPENDIX 1: INTRODUCTORY LETTER

University of Nairobi,  
P.O. Box 342 -  
01000,  
Nairobi, Kenya.  
Telephone: +254 20  
2088310  
+254 20 2338143/6/8

Atandi Onyangore Patrick,  
Cell phone: +254727620091  
Email: [pamenda78@gmail.com](mailto:pamenda78@gmail.com)

**Dear Respondent,**

#### **RE: REQUEST FOR RESPONDING TO THE QUESTIONNAIRE**

This questionnaire is aimed at collecting data for research purpose on the topic “DETERMINANTS OF PERFORMANCE IN PUBLIC SECTOR ENTERPRISES: A CASE OF HUDUMA CENTRES IN CENTRAL BUSINESS DISTRICT, NAIROBI-

KENYA.” The research will be in partial fulfillment of the requirements for the award of the Degree of Master of Arts in Project Planning and Management of the University of Nairobi. Please note that any information collected from this questionnaire will be treated with utmost confidentiality and will be used for academic purposes only. Your cooperation in this exercise will be highly appreciated. Thanks in advance.

Yours sincerely,

Atandi Onyangore Patrick.

## APPENDIX 2: QUESTIONNAIRE

[This questionnaire is to be answered by the Staff Members of Huduma Centres]

*Kindly answer the following questions by ticking the appropriate response in one of the boxes provided. Please, be as honest as possible.*

### SECTION A: QUESTIONS ON RESPONDENT CHARACTERISTICS

1. Your gender?

- i. Male [ ]
- ii. Female [ ]

2. What is the highest level of academic qualification?

- i. Certificate [ ]
- ii. Diploma [ ]
- iii. Bachelor's Degree [ ]
- iv. Masters' Degree [ ]
- v. PhD [ ]
- vi. Any other specify.....

3. (a) Are you a staff member of this Huduma Center?

- i. Yes [ ]
- ii. No [ ]

(b) Nature of your contract?

- i. Full time/ Permanent [ ]
- ii. Part time/casual [ ]
- iii. Internship/attachment [ ]

(c) How long have you worked with this Huduma Centre?

- i. Less than one year [ ]
- ii. One year [ ]
- iii. Two years [ ]
- iv. Three years or more [ ]

d) Which one of the following trainings have you participated in while working at Huduma Centre?

- i. Workshops [ ]
- ii. In-service courses [ ]
- iii. Seminars [ ]
- iv. None [ ]

(e) If 'attended,' when was the last time you had such training?

- i. Less than a year ago [ ]
- ii. One year ago [ ]
- iii. Two years ago [ ]

**SECTION B: QUESTIONS ON THE INFLUENCE OF THE INDEPENDENT VARIABLES ON THE DEPENDENT VARIABLE**

4. (a) Is the meaning of performance or performance standards clearly defined in your organization?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' please explain briefly what is meant by performance standard

.....  
.....  
.....  
.....

5. (a) Is performance rewarded in your organization?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' explain how

.....  
.....

.....  
 .....  
 6. (a) Are there any recent internal changes meant to improve the performance of your Huduma Centre?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' please explain briefly

.....  
 .....  
 .....  
 .....

**Objective 1: Examining the extent to which decentralization determines performance in public sector enterprises:**

7. (a) Does your organization embrace decentralization?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' please indicate the extent to which the following services have been decentralized?

SERVICES	Very low extent	Low extent	Neutral	Large extent	Very large extent
(a) Identity Cards,					
(b) Passports					
(c) License					
(d) I tax					
(e) Certificate of good Conduct					
(f) Birth certificate					
(g) Registration of Welfare Groups					



8. (a) Has the decentralization of government services led to efficient and effective service delivery in the public sector enterprises today?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' please briefly explain how

.....  
.....  
.....  
.....

9. (a) Do you have standard procedures of distributing or sharing of key resources (such as physical, financial and technical) between the national and county governments?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' list a few of those procedures

.....  
.....  
.....  
.....

10. As an institution, do you have any measures of monitoring distribution or sharing of key public resources between the national and county governments?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' list or briefly list some of those measures

.....  
.....

.....  
.....  
**Objective 2: Evaluating how the level of technology determines performance in public sector enterprises:**

11. (a) In your opinion, does the level of technology being used by your Huduma Centre today determine the performance of public sector enterprises?

- i. Yes [ ]
- ii. No [ ]

(b) Please explain your answer in 11(a) above briefly

.....  
.....  
.....  
.....

12. (a) How long does your institution or department take to process a national Identification Card (ID) after an application has been received by an external client?

- i. One (1) Week [ ]
- ii. Two (2) Weeks [ ]
- iii. Three (3) Weeks [ ]
- iv. A Month [ ]
- v. More than One Month [ ]

(b) Are there any technologies that are being used to reduce time delay in the processing of national Identification Cards by your Huduma Centre?

- i. Yes [ ]
- ii. No [ ]

(c) If 'Yes,' please name some of these technologies

.....  
.....  
.....  
.....

**Objective 3: Exploring how the level of communication determines performance of public sector enterprises:**

13. (a) Does the level of communication determine the performance in public sector enterprises (including the Huduma Centres)?

- i. Yes [ ]
- ii. No [ ]

(b) Please explain your answer in 10(a) above briefly

.....  
.....  
.....  
.....

14. (a) What is the commonest channel of communication that is used within (inside) your organization? (Tick the most appropriate choice)

- i. Internet/Email [ ]
- ii. Telephone/ Mobile [ ]
- iii. Internal Memos [ ]
- iv. Publications [ ]
- v. Fax [ ]
- vi. One on one (Verbal) [ ]
- vii. Meetings/ Workshops [ ]
- viii. Notice board [ ]
- ix. Others (please specify).....

(b) What is the commonest channel of communication that is used to communicate with your external clients? (Tick the most appropriate choice)

- i. Internet/Email [ ]
- ii. Telephone/ Mobile [ ]
- iii. Fax [ ]
- iv. Suggestion boxes [ ]

- v. Workshops [ ]
- vi. Posters [ ]
- viii. Other (specify).....  
..
- vii. Events [ ]

15. (a) Do you have standard procedures of communicating or conveying information in and out of the organization (or department)?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' list a few of those procedures

.....  
 .....  
 .....  
 .....

16. (a) Does your Huduma Centre have any measures of monitoring communication or flow of information?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' please list or explain those measures

.....  
 .....  
 .....  
 .....

**Objective 4: Examining how staff qualification determines performance in public sector enterprises:**

17(a) Do you think that staff qualifications determine the performance in public sector enterprises?

i. Yes [ ]

ii. No [ ]

(b) If 'Yes,' please explain briefly

.....  
 .....  
 .....  
 .....

(c) What is your main area of academic specialization?

i. Secretarial [ ]

v. Human Resource [ ]

ii. IT [ ]

vi. Project Management [ ]

iii. Procurement/ Logistics [ ]

vii. Criminology [ ]

iv. Engineering [ ]

viii. Sales & Marketing [ ]

ix. Any other please (specify).....

18. To what level or extent do you agree or disagree with the following statements?  
 Please tick appropriately on the level of agreement/disagreement indicated in the table below.

<b>Independent Variables</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
(a) Decentralization is a determinant of performance in public sector enterprises					
(b) Level of technology determines the performance in public sector enterprises					
(c) Level of communication is a determinant of performance in public					

sector enterprises					
(d) Staff qualifications determines the performance in public sector enterprises					

**SECTION C: QUESTIONS ON THE EFFECT OF MODERATING FACTORS ON DEPENDENT VARIABLE**

19. (a) Is it true that politics (whether internal or external) determines the performance in public sector enterprises (such as your Huduma Centre)?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' what is the nature of the influence?

- i. Positive [ ]
- ii. Negative [ ]

(c) If 'positive' or 'negative,' explain briefly

.....

.....

.....

.....

20. (a) Does government policy determine the performance in public sector enterprises?

- i. Yes [ ]
- ii. No [ ]

(b) If 'Yes,' what is the nature of the influence?

- i. Positive [ ]
- ii. Negative [ ]

(c) If 'positive' or 'negative,' explain briefly

.....  
 .....  
 .....  
 .....

21. To what level do you agree or disagree with the following statements? Please tick appropriately on the level of agreement/disagreement indicated in the table below.

<b>Moderating Factors</b>	<b>Very Low Extent</b>	<b>Low Extent</b>	<b>Neutral</b>	<b>Large Extent</b>	<b>Very Large Extent</b>
(a) Politics determines or influences the performance of public sector enterprises					
(b) Government policy is a determinant of performance of public sector enterprises					

22. Besides decentralization, level of technology, level of communication, staff qualifications, politics and government policy, list other factors that determine or influence performance in public sector enterprises, if any

.....  
 .....  
 .....  
 .....

23. Any comments or suggestion on how performance in public sector enterprises can be made even better?

.....  
 .....  
 .....  
 .....

### APPENDIX 3: INTERVIEW GUIDE

**[This interview guide is to be answered by senior managers of each of the two Huduma Centres]**

1. What is your role or position in this institution, and for how long have you served in this capacity?
2. Is performance within your organization clearly defined? If 'yes,' how?
3. Are there any recent internal changes meant to improve the performance of your Huduma Centre?
4. Are there clear procedures of sharing and distribution of critical resources (such as physical, financial and human or technical) between the national and county governments?
5. Has the decentralization of government services led to efficient and effective service delivery in the public sector enterprises today?
5. As an institution, do you have any measures of monitoring distribution and sharing of key public resources between the national and county governments?
6. Are there any technologies that are being used by your institution in sharing information and delivering other key services? If 'Yes,' explain
7. How does information flow within your organization, and what are some of the main channels of communication currently being used within and outside your enterprise?
8. Do you have standard procedures of communicating or conveying information in and out of the organization?
9. In your own opinion, is staff qualification a determinant of performance in the public sector enterprises?
10. How do you attract and retain the best qualified human resources in your institution?



11. Is it true that politics (internal or external) determines the performance in public sector enterprises (such as your Huduma Centre)?

12. Does government policy determine the performance in public sector enterprises?

13. Besides decentralization, level of technology, level of communication and staff qualifications, are there any other factors that determine performance in public sector enterprises?

14. Any comments or suggestion on how performance in public sector enterprises can be improved?

**APPENDIX 4: MINISTRY OF DEVOLUTION AND PLANNING APPROVAL LETTER**

**REPUBLIC OF KENYA**



**THE PRESIDENCY  
MINISTRY OF DEVOLUTION AND PLANNING  
HUDUMA KENYA SECRETARIAT**

Telegraphic address: "Personnel", Nairobi  
Telephone: Nairobi 020 6900010  
*When Replying please quote*

P.O. BOX 30050-00100

NAIROBI

Ref. No. **MDP/HUD.2/229**

KENYA

**10<sup>th</sup> November, 2015**

**Centre Organizer**  
Nairobi Extra Mural Centre  
University of Nairobi  
P.O. Box 30197  
**NAIROBI**

**ATTN: Atandi Onyangore Patrick**

**APPROVAL TO CONDUCT RESEARCH ON "DETERMINANT OF PERFORMANCE OF PUBLIC SECTOR ENTERPRISES"**

Following your request to undertake the above captioned research as part of your Degree of Master of Arts in Project and Management, this is to inform you we have approved your request.

The purpose of this letter therefore, is to bring this to your attention and wish you all the best in your study and we look forward to get a copy of your final report once you complete.

A handwritten signature in black ink, appearing to read 'Dennis Mutuku'.

**Dennis Mutuku  
SECRETARY/ CEO**


## APPENDIX 5: NACOSTI RESEARCH PERMIT


**THIS IS TO CERTIFY THAT:**

**MR. PATRICK ONYANGORE ATANDI**  
**of UNIVERSITY OF NAIROBI, 7654-100**  
**Nairobi, has been permitted to conduct**  
**research in Nairobi County**

**on the topic: DETERMINANTS OF**  
**PERFORMANCE OF PUBLIC SECTOR**  
**ENTERPRISES: A CASE OF HUDUMA**  
**CENTRES IN CENTRAL BUSINESS**  
**DISTRICT, NAIROBI-KENYA**

**for the period ending:**  
**12th February, 2017**



  
**Applicant's**  
**Signature**

  
**Director General**  
**National Commission for Science,**  
**Technology & Innovation**

**Permit No : NACOSTI/P/16/95000/9478**  
**Date Of Issue : 12th February, 2016**  
**Fee Received :ksh 1000**

**CONDITIONS**

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**

  
**REPUBLIC OF KENYA**  
  
**National Commission for Science,**  
**Technology and Innovation**

**RESEARCH CLEARANCE PERMIT**

**Serial No. A 7781**

**CONDITIONS: see back page**