

**INFLUENCE OF HUMAN CAPITAL FACTORS ON PERFORMANCE OF
DEVOLVED GOVERNMENTS IN SOUTH EASTERN KENYA REGION**

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University

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DEDICATION

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ABBREVIATIONS AND ACRONYMS

ACPA	Annual Capacity and Performance Assessment
ASX	Australian Stock Exchange
CBIR	County Budget Implementation Review
CECM	County Executive Committee Member
CO	Chief Officer
COK	Constitution of Kenya
CG	County Government
CGP	County Government Performance
ER	Employees Resourcing
EC	Employees Compensation
FES	Friedrich Ebert Stiftung
KDSP	Kenya Devolution Support Program
MCA	Members of County Assembly
PWC	Price Waterhouse Coopers
SEKER	South Eastern Kenya Region
STD	Staff Training and Development

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ABSTRACT

The study focused on the influence of human capital factors on performance of devolved Governments in South Eastern Kenya region. The specific objectives of the study were; to establish the influence of employee resourcing on organizational performance of the devolved governments in South Eastern Kenya region, to examine the influence of employee compensation on organizational performance of devolved governments in South Eastern Kenya region, and to assess the influence of staff training and development on organizational performance of devolved governments in South Eastern Kenya region. The target population comprised county government of Kitui, Machakos and Makueni senior staff numbering 179 members comprising County Executive Committee Members, Chief Officers, County Directors and Deputy Directors, Assistant Directors and Sub-county administrators within the County ministries. A sample size of 59 county officials was randomly selected using stratified simple random sampling techniques. Data was collected by the aid of a structured questionnaire administered to the sample. The questionnaires were coded to enable grouping of the different responses into categories. The study utilized Microsoft Excel (2016) and Statistical Package for Social Sciences (SPSS) Version 21 for data analysis and presentation. The data was analysed by use of descriptive and inferential statistics. The analysed data was presented using figures and tables generated from the multiple regression analysis conducted on the variables in order to establish the effect of human capital factors on the performance of devolved governments of South Eastern Kenya region. The findings of the study established that there is no statistically significant influence of employee resourcing on performance of Machakos and Makueni county governments. However, employee resourcing has a statistically significant influence on the performance of Kitui county government. The evaluation of the influence of employee compensation in the county governments of Kitui and Makueni established a statistically significant influence of employee compensation on county government performance. The study established a statistically significant relationship between staff training and development and devolved governments' performance in both Kitui and Machakos. However for Makueni county government, staff training development has an insignificant influence on the county government performance. However, the study noted that there was no scholarship program in place for career development. The study recommends an improvement in the conduct of employee resourcing to include current trends that include use of softwares to track job applications, development of a mobile recruitment strategy, increase the focus on passive and potential candidates, and a growth in the emphasis for social networks. The study also recommends the establishment of career advancement programmes to facilitate retention of top talents and skills, boost productivity and engagement, generate knowledge and strengthen the succession plan of the non-political roles. Finally, the study suggests further broad-based research to be done on other human capital factors not considered in this study. Future research can be done on the 47 counties in Kenya in order to deliver a reliable generalization on the effect of human capital factors on the performance of devolved governments in Kenya.

CHAPTER ONE

INTRODUCTION

This chapter aims at providing sufficient information for better understanding of the study. The chapter discusses the background of the study, research problem, research objectives, significance of the study, scope and the study limitations. The limitations are delimited to make sure that the research yield results that would bear reliable and valid results.

1.1 Background of the Study

Devolution refers to a form of decentralization involving independent lower level units, legally established as distinct government entities. The concept of devolution has a global view which has brought about transfer of authority, power and resources to sub-national levels of government. Many countries which were centralized have so far witnessed some form of devolution and other states which have already been decentralized have experienced greater transfer of power to lower levels of government (Rodriguez-Pose, 2002).

1.1.1 Human Capital

The concept of human capital dates back to the time of Adam Smith. According to Goldin (2014), human capital is the stock of productive skills, talents, health and expertise that labor possesses. It is the set of skills which an employee acquires on the job through training and experience and which increases that employee value in the market place. Human capital is the skills, experience, technological know-how possessed by employees of an organization applied to influence production and performance of the said institutions.

According to Djurica, Djurica, and Janiac (2014), knowledge, skills, creativity, innovativeness, ability to learn and other valuable features people own are a key element in modern economy, both for their earning capacity and competitiveness and other economic performances of company. Human Capital consists of creativity, innovativeness, initiative, adaptability, flexibility, motivation, persistence, expertise,

skills, experience, devotion to organization, teamwork training, flexibility, loyalty, ability to establish and develop relations with other employees in the company and its partners, readiness to accept changes and ability to learn (Mouritsen, 2002). Human capital as factor of production has a controlling effect on other factors in production of goods and in service delivery

1.1.2 Devolved Governments

According to Mukonza and Chakauya (2012), devolution is a system of decentralization whereby authority to formulate policies in some selected public area is conferred to elected sub-national government levels. Onyango, Cheluget, Akello, Okari and Keraro (2012) argue that devolution conceives a strong democracy by providing people with more say in matters pertaining to their localities.

Devolution is practiced in the United Kingdom, where Scotland, Wales and Northern Ireland exercise authority over their own lands, but remain part of the United Kingdom (Jeffery & Wincott, 2006). Devolution in the United States of America is through a federalist system where state governments have the power to make their own laws and policies. The Federal government is still sovereign and maintains powers over foreign policy and defense, but each state can govern itself and is guaranteed in the Constitution of the United States (O'Connor, 2001). Indonesia has three-level government model, which has a central government, provincial government at the regional level, and regencies and cities at the local level while India has Federal, state, districts and Municipalities.

In Tunisia, decentralization is achieved through local authorities comprising municipalities, districts and regions covering the entire territory of the Republic, Constitution of the Republic of Tunisia (2014). The constitution of South Africa (1996), section 151(2) Executive and legislative authority is exercised by a single institution, the municipal council. Kenya under the independence constitution was administered under the central government three tier of National, provincial and districts and local authorities of county councils, municipalities and town councils.

1.1.3 Profile of Devolved Governments in Kenya

Devolution was borne out of need to decentralize power and service delivery in Kenya. Sessional paper no.1 of 1986 on economic management for renewed growth was adopted to turn around the economic decline. Due to the centralized development by national government where projects were identified and funded, and the failure of District Focus for Rural Development Strategy, there has been a disparity in development throughout the country. This led to calls for a new way of governance thus leading to devolved county governance structure under the Constitution of Kenya 2010 (COK, 2010). The promulgation of the Constitution of Kenya (2010) on 27th August 2010 paved way for County Governance as stipulated under Chapter Eleven of Constitution of Kenya (2010).

The Devolved governments comprise of the County Assemblies and County Executives with State powers of legislature – law making and Executive – Implementing the Laws and Policies respectively as required by County governments Act (2012). State executive and legislative power was devolved including powers to collect local revenues and enforcing enacted county laws. Political, legislative and resources were devolved and a new administrative structure established. Service delivery was devolved as outlined in the Fourth Schedule of the Constitution on the Sharing of Functions between the national and devolved governments as well as giving opportunity for participation of women, men, minorities and other marginalized groups in governance. The Constitution created 47 county governments as per schedule one of the Constitution of Kenya (2010) with three devolved governments namely Kitui (County No. 15), Machakos (County No. 16) and Makueni (County No.17) being found in South Eastern Kenya region.

The three counties border Nairobi, Kajiando, Taita Taveta, Tana River, Meru, Tharaka Nithi and Embu and were formally in Eastern Province. These counties are in the arid and semi-arid lands (ASAL) area and have common problems such as poor and unreliable rains, prone to droughts and food deficiency, underdevelopment, poor economies and one ethnic group of people doing subsistence farming. This study on influence of human capital factors on performance of devolved Government of South

Eastern Kenya region offer understanding on benefits of human capital brought about by devolution in the region and in other regions in Kenya.

1.2 Statement of the Problem

According to a paper by Cyprian Orina-Nyamwamu presented at the FES Conference on State of Implementation of the Constitution since 2010, there are serious strategic resource gaps and deficits, administrative weaknesses while chaos around pensions and the secondment of staff to the counties, lack of institutional capacity at the County Executive and County Assemblies with no clear process of acquiring this capacity (Orina-Nyamwamu, 2015).

Human capital can work positively and negatively depending on how they are engaged. In some counties there has been positive development due to the human capital attitude to work and their training and skills. According to study by Keraro and Isoe (2015) on good governance and the enhancement of effective service delivery for accelerated economic development of counties in Kenya concluded that governance structure should be developed with a view to impact on overall organization performance. It recommended that for performance of devolved system, county government should adopt lean governance structure that is informed of human capital needs.

Devolved governments established under Article 176 of Constitution of Kenya 2010 are required to respect the objects and principles of devolved government (Article 174 of COK 2010). Service delivery to Kenyans is a requirement of the constitution and is enshrined in (Article 4) Bill of Rights and should offer effective and efficient services to the public on timely manner.

Reports by Auditor General (2015), Price Waterhouse Coopers (2015), Constitution Implementation Commission (2015) and County Budget Implementation Review (CBIR) Report 2015 and 2016, have shown that Devolved governments are unable to meet devolution objectives as required by Article 174 of the Constitution of Kenya (2010) to devolve and improve service delivery to the public in an effective and timely cost-efficient manner at all levels. The above reports confirm poor

performance and associate it to human capital related factors. This study seeks to understand influence of human capital factors on performance of the Devolved governments in South Eastern Kenya Region.

1.3 Objectives

The general objective of the study was to establish the influence of human capital factors on performance of the Devolved governments in South Eastern Kenya Region.

1.3.1 Specific Objectives

- i) To establish the influence of employee resourcing on organizational performance of the Devolved governments in South Eastern Kenya Region.
- ii) To examine the influence of employee compensation on organizational performance of the Devolved governments in South Eastern Kenya Region.
- iii) To assess the influence of staff training and development on organizational performance of the Devolved governments in South Eastern Kenya Region.

1.4 Research Questions

- i) How does employee resourcing influence organizational performance of the Devolved governments in South Eastern Kenya Region?
- ii) To what extent does employee compensation influence organizational performance of the Devolved governments in South Eastern Kenya Region?
- iii) What is the influence of staff training and development on organizational performance of the Devolved governments in South Eastern Kenya Region?

1.5 Justification

The study benefits South Eastern Kenya University and other institutions of higher learning and brings understanding of the influence of human capital factors on performance of Devolved governments in South Eastern Kenya Region in public service delivery. The policy makers and academicians will gain knowledge on

influence of human capital factors on performance and challenges if any brought about by requirement of the county governments Act (2012) and the constitution of Kenya (2010).

The study is of great benefit to National and Devolved governments of Kenya and other public sectors, researchers, constitutional lawyers and devolution experts development agencies researching on influences of human capital factors on performance. The study provides information to strategic managers in human capital factors requirements in Devolved governments and how they influence performance on service delivery in public sector institutions and also identify areas for further study.

1.6 Scope of the study

The scope of the study was devolved governments in South Eastern Kenya Region (Kitui, Machakos and Makueni Counties). The study reports on recruitment, selection, training and development and compensation of human capital in the strategic management department of the three devolved counties.

1.7 Limitations

Devolved governments are development entities governed by elected governors and Members of County Assemblies (MCAs) and politically managed. The operatives are civil servants appointed by the politicians hence their train of thoughts is guided by the politician way of thinking thus leaving very little room for independent decisions based on their training and experience. Some officers were not free to express their opinion and may have withheld some essential information or even exaggerated figures to prove good performance.

1.7.1 Delimitation

Assurance of confidentiality of information gathered ensured the necessary information was gathered for the study. The researcher, through an introductory letter, committed himself to treat the information as confidential and officers on being explained the importance of the study agreed to give true and correct information.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter takes a detailed review of the existing literature that is important in outlining the levels of influence of human factors on performance in service delivery. It reviews various theories which inform the way people respond to motivation to work. Finally, the review draws a conceptual framework determined by findings regarding the relationship between performance and the human factors. The chapter develops empirical review that will be used in the study in regard to each variable which subsequently leads to the identification of research gaps and areas for future research.

2.2 Theoretical Framework

The theoretical framework of the study relates to the philosophical basis on which the research takes place, and it forms the link between the theoretical aspects and practical components of the investigation undertaken. Theories related to the independent variables are discussed.

2.2.1 Human Capital Theory

According to Spring (1998), human capital theory can be traced back in the 19th and early 20th Centuries when many people were convinced that the corporate would provide external efficiency in relation to the labour market and ensure equal opportunity. This theory was developed by Irving Fisher in 1907. The theory was conceptually articulated by Kiker in 1968. The Human Capital Theory states that individuals and society derive economic benefits from the investments made to the people (Vaizey, 1962). According Schultz (1981) and Schultz (1983), human capital investment generally entails health, nutrition and education.

Developing countries' need to be integrated into the international economy has brought about a new perspective pertaining to the relationship between development

and education (Ayres, 2000). The national government as the largest provider of finances to the county governments are interested in how the funds allocated disbursed to the counties are utilized. Proper utilization and investment of the funds will result into increased performance of the counties, especially in the education and healthy sectors. Other financiers like the donors are also interested to see their donations yield good results. According to Oliver (2004), economic development is a critical issue. The human capital theory is relevant to this study in terms of developing a unified concept on the training and development of human capital.

2.2.2 The Principal-Agent Theory

The Principal-Agent theory was invented by Michael Jensen and William Meckling in 1976. In their paper, Jensen and Meckling (1976) outlined the theory of ownership structure that would be designed in a way to avoid what they called agency costs and its relationship to the issue of separation and control. According to Gailmard (2012), the theory captures a traditional choice of modeling in which some actor(s) referred to as principal(s) uses whatever actions are available to provide incentives for some other actor(s) to make decisions that the principal most prefers.

The principal-agent theory is a key theoretical concept that underpins performance management (Pollitt, Talbot, Caulfield, & Smullen, 2004). Performance measurement refers to the control that is divided into the categories of after-the-fact and before-the-fact. The principal can guide the agent before-the-fact through guidelines, regulations and performance indicators which can be set to require any preferred level of performance by the principal.

Participation of the subordinates should be highly encouraged by the supervisors if high performance levels are to be reached. According to Ouchi (1981), it is expected that trust can have positive effect on performance and the climate of the organization. It could reduce the transactional costs by helping to create and effective performance strategy. The relevance of this Principal-Agent model is to understand the performance contracting principles underpinning this study.

2.2.3 Game Theory

The Game Theory is defined by Kockesen and Ok (2007) as a systematic study of strategic interactions among rational individuals. According to MacKenzie and Wicker (2001), the game theory can be applied to different areas. Game Theory acts as an umbrella or a unified field theory for rational social science where 'social' is broadly interpreted to include human as well as non-human players (Aumann, 1987).

Scharpf (1997) suggests three fundamental principles of the game theory. The first one is a player. This player can be an individual or an actor who is assumed to be able to make decisive choices among alternative courses of action. Secondly, strategies which comprise of the courses of action available to a player. Lastly, the payoffs which entail the valuation of given set of possible outcomes as preferential to the players involved. As regards to this study, the game theory is useful in explaining the choice of performance management initiatives that are devised by different County governments to enable them maximize their benefits.

2.2.4 Expectancy Theory

The Expectancy Theory was developed by Victor Vroom in 1964 through his study of motivation behind decision making. This theory holds that work behaviour is determined by the valences and expectancies associated with items currently of importance in the individual's decision space (Vroom, 1964). Vroom's expectancy theory does not provide specific suggestions on what motivates people in an organization. Instead, it provides a process of cognitive variables that reflect individual differences in work motivation (Lunenburg, 2011).

According to Vroom (1964), Expectancy Theory is built on four assumptions. One of the assumptions is that people who join organizations do so with expectations of their needs, motivations and past experiences. The second assumption is that a behavior of an individual is as a result of a conscious choice. This is to mean that people are free to choose behaviors which are suggested by their own calculations of expectancy. Thirdly, people need different things from the organization. These things may include good salary, job security, job advancement and new professional challenges. The last

assumption is that people will make a choice among different alternatives to optimize their personal outcomes. This theory is relevant to this study in its application to reward management systems of governments such as the county governments in the South Eastern Kenya region.

2.2.5 Goal Setting Theory

Goal setting theory was developed by Edwin Locke and Gary Latham in 1990. This theory states that goal setting is essentially linked to performance of a task. The theory further states that specific and challenging goals together with appropriate feedback result to much higher and better performance of tasks. The theory provides two cognitive determinants of behavior, namely, values and goals. The theory postulates that the form in which one experience valued judgements is emotional. This means that one's values create the desire to do things consistently.

According to Locke and Latham (1990), goals direct attention and action. Further, challenging goals have a tendency of mobilizing energy, leading to higher effort and persistently increasing effort. Lunenburg (2011) suggests that accomplishing the goal will lead to satisfaction and further motivation. In contrast if the goal is not accomplished, it will lead to frustration and lower motivation. This theory is relevant to this study by the fact that situational factors moderate the effect of a goal on performance and performance contracting as a measure of service delivery.

2.3 Empirical Review

2.3.1 Employee Resourcing and Organizational Performance

Gamage (2014) defines recruitment and selection as the process of attracting and choosing candidates for employment. According to Opatha (2010), recruitment is the process of finding and attracting suitably qualified people to apply for job vacancies in an organization. It is the process of generating a pool of qualified applicants for organizational job vacancies. Henry and Temtime (2009) described recruitment as the entry point of manpower into an organization and, that path an organization follow

after that to ensure that they have attracted the correct individuals for their organizational culture so that their strategic goals are achieved.

Ekwoaba, Ikeije and Ufoma (2015) conducted a research to assess the impact of recruitment and selection criteria on organizational performance in Lagos, Nigeria. The study relied on Human Capital Theory, Resource-Based View Theory and Equity Theory. By use of a survey research design and structured questionnaires, the study analysed 130 valid responses from randomly selected respondents. To test the relatedness of the study hypotheses, Chi-Square tests was used. The study revealed that recruitment and selection criteria have a significant effect on organization's performance. The study found out that the more objective the recruitment and selection is, the better the organization's performance.

Oaya, Ogbu and Remilekun (2017) assessed the impact of recruitment and selection strategy on employee performance on selected manufacturing companies in Nigeria. Descriptive survey design was adopted for this study. The study found out that use of recruitment agency and internal employee recommendation in the recruitment and selection process enables an organization to recruit committed and productive employees while the recruitment through the influence of host community leads to organizational inefficiency. The study recommended organizations to use employment agencies in recruitment and selection with openness in job description and responsibilities to them.

2.3.2 Employee Compensation and Organizational Performance

According to Henry and Temtime (2009), the performance of an organization relates directly to people working within it. This means that the right people need to be hired to ensure that the organizational success is maintained. The selection of the right applicant for a job can be a difficult task at the first-time round. At the end of the day, the reputation of the organization is determined by the people it employed.

A study done by Uwizeye and Muryungi (2017) on a sample of 205 employees in Rwanda Mountain tea found out that a "competitive environment and compensation system has a direct effect on the employee performance." The study established a

strong positive correlation between compensation practices and employee performance. They argue that compensation is a physical need that motivates to the extent of affecting the employee performance.

Larbi (2014) conducted a study to assess the effect of compensation management on employee performance in a hospital setting. The study used both secondary and primary data from compensation manuals and collective bargaining agreements. Questionnaires were also used to collect data from a cross-section of the employees. The findings of the research were that although there was a lot of a compensation package available, the employees were not fully aware of them. The study further revealed that communication on compensation was poor and there were no avenues for employees to be heard on issues relating to compensation. This study did not actually establish any link between compensation and organizational performance. It only established a great deficiency in the compensation system.

Mphil, Ramzan, Zubair, Ali and Arslan (2014) did a research to empirically evaluate the impact of compensation on employee performance on the banking sector in Pakistan. A questionnaire was used to collect data on the factors relating to compensation. These factors include salary, rewards, indirect compensation and employee performance. Descriptive research design was used in the study. The results of the study indicate that compensation have a positive impact on employee performance. The results also indicate that rewards have negative and insignificant impact on employee performance. Further, the study found out that indirect compensation has a negative impact on employee performance. This study established a mixed result on the measures of compensation and their effect on employee performance.

Njoroge and Kwasira (2015) conducted a research to evaluate the influence of compensation and reward on employee performance at Nakuru County Government. The study conducted a survey on the eleven sub-counties by adopting a descriptive research design. A stratified random technique was used on a target population of 6,400 respondents from the same geographical study area. The study collected primary data by use of open and closed-ended questionnaires and interview schedules.

The study established a compensation and reward and employee performance in Nakuru County Government. This study only focused on compensation and reward to determine its effect on the employee performance.

2.3.3 Staff Training and Development and Organizational Performance

Swanson and Holton (2001) define training and development as a process of systematically developing expertise and work-related knowledge in people for the purpose of improving performance. According to Kremple and Pace (2001), training and development refers to knowledge management to develop organization's culture, enhance individual performance and strengthen an organization's capability.

Mansour (2013) conducted a research to empirically investigate the training in organizations from developing counties. The study focused on the effect of training on employee performance, motivation and turnover through a survey of 124 employees in Saudi private companies. Questionnaires were used to collect data and contained only closed ended questions of a five-point Likert Scale. The study established that majority of the respondents attended various training programs in their actual jobs. The results of the study also established a positive relationship between training and performance of employees. Mansour notes that there is need for organizations to design, implement and evaluate the best training programs that empower employees increase productivity.

Khan, Khan and Khan (2011) did a study to assess the impact of training and development on organizational performance in Pakistan. The study focused mainly on on-the-job training, training design and delivery style and their effect on organizational performance. Secondary data was analysed with four hypotheses being developed to evaluate the effect of training and development on organizational performance. The results of the study indicate that training and development has a positive and significant effect on organizational performance. However, this study was only based on literature review. There is therefore a need to empirically test the hypotheses to determine the statistical relationship between training and development strategies and organizational performance.

Kassim and Ndegwa (2017) investigated the influence of training and development factors and employee performance in non-governmental organizations operating in Mandera County, Kenya. The study considered training and development techniques, constraints, need assessment and evaluation as the main variables. The study adopted a descriptive research design. The study used stratified and simple random sampling to select a sample of 180 employees out of a total of 333 employees. The sample was clustered into two main strata based on top management and lower management level. The study used questionnaires to collect data and the data analysis was done by use of descriptive statistics. The results of the study identified on-the-job training as the major worker education technique. On the other factors, the study only provides advisory on what needs to be done to help the management improve on performance. This left a gap on how the training and development factors relate to employee performance.

In an attempt to understand the effect of training and development practices and employee performance at the Turkana County Government, Kiyana and Bett (2017) focused on team building trainings, knowledge management, evaluation of knowledge and promotions. The study used descriptive and cross-section research designs to a target population of 2070 individuals. Using purposive sampling technique, the sample size was 96 respondents drawn from county executive committee members, county chief officers, county directors and deputy directors, based capabilities, group characteristics and progressive records. The results indicated that team building training, knowledge management; knowledge evaluation and promotion practices affect employee performance. The study recommends more team building, conduct of more knowledge management training, evaluation of knowledge management and promotion based on performance and merit in the county governments.

1.1.5 Performance of Devolved Governments

Performance is deemed to be the fulfilment of an obligation in a manner that releases the performer from all liabilities under the contract. It is the accomplishment of a given task measured against present known standards of accuracy, completeness, cost and speed. Devolved units can be considered as business units which have to engage human capital to improve on service delivery. Study on building competitive

advantage through human capital by Djurica, Djurica, and Janiac (2014) found out that knowledge, skills, creativity, innovativeness, ability to learn and other valuable features people own have become a key element in modern economy, both for their earning capacity and competitiveness and other economic performances of company

A study by Mouritsen (2002) found out that human capital, as intellectual capital component, includes individual capabilities, knowledge, skills, expertise and experience of employees and managers in a company. Human capital comprises following elements: creativity, innovativeness, initiative, adaptability, flexibility, motivation, persistence, expertise, skills, experience, and devotion to organization, teamwork training, flexibility, loyalty, ability to establish and develop relations with other employees in the company and its partners, readiness to accept changes and ability to learn.

Wiig (1997) opined that intellectual capital has often been treated as a higher ranked resource in comparison with other resources that in a specific way influence other resources, and independently, has an impact on enterprise's performances and economy as a whole. The performance of the devolved government will depend much on the human capital capacity to deliver on time to the required standards.

Study by the Commission for Implementation of the Constitution (2015), found that understaffing lead to ineffective service delivery thus affecting performance and quality service and for the counties to be efficient and effective they must change some of the structure inherited from disbanded local authorities. This can be achieved by retaining the best of their traditional structures while embracing radically new structures that leverage on the human capital and adds value to the customers (Pearce & Robinson, 2011). County Budget Implementation Review (CBIR) Report 2015 and 2016, states that service delivery in the counties has not been efficient and effective as anticipated in the Constitution of Kenya 2010. The CBIR Report 2015/16 reports poor local revenue collection in some counties, low budget funds absorption and development expenditure. Revenue collection support budgeted activities in service delivery. Poor absorption of fund lead to none completion of projects attributed to human capital factors among others.

Price Waterhouse Coopers (PWC) (2015) study found that counties are facing human capital dynamics in many areas such as strategic management and workforce effectiveness, challenges of recruitment, managing the broader human capital capabilities to sustain timely service delivery, provide consistency and uniformity, accountability and transparency, monitoring and evaluating performance, review of systems and processes, harmonize service delivery standards and manage expectations, create mechanism for receiving feedback, developing a service delivery culture and communicating a transition plan , building a critical mass of public servants who champion change and managing the transition of local and national government staff into the new county structure. Price Waterhouse Coopers (2015) study found that disengaged employees drag down public service. This study therefore attempts to understand influence of human capital factors on performance of devolved Governments in Southern Eastern Region

2.4 Literature Overview and Research Gaps

Lim, Chan, and Dallimore (2010) conducted a research to evaluate the perceptions of human capital measures on corporate executives and investors of listed companies in the Australian Stock Exchange (ASX). The study did a comparison on the perceptions of executives and investors in terms of the importance to disclose and identify their knowledge of human capital measures. Out of the total questionnaires administered to the respondents a response rate of 41% from the senior-level executives in the service-oriented firms and 47% response rate from fund management companies responded to the survey. From the results, investors showed the importance to disclose certain human capital measures more than the executives. The results further indicated that executives showed a better understanding than investors on indicators of staff satisfaction index, staff capacity, motivation index, workforce stability, and workforce competence profile.

Irani, Dwivedi and Williams (2014) analyzed the factors affecting the choice of emergent human capital in the United Kingdom (UK) higher education. The study sought to develop a framework of the factors that affect international students' choice of institution. A cross-sectional survey was done to determine the importance of the

utilized factors. Primary data was collected from students of two different types of institutions. These institutions included a university and a feeder institution. The study found out that transport links, personal factors, institutional facilities, institutional student support and institutional quality were statistically significant factors that determine why students chose to study in the UK. This study only focused on analyzing the factors identified but it did not provide any empirical analysis on the effect of those factors to the performance on the UK universities.

Bottone and Sena (2011) conducted a twofold analysis on human capital on a data-set of 11 European counties over a period 1996-2006. One of their dimensions was to challenge the notion of human capital as education, training and work experience. The study suggested that it is the quality of workforce that matter in a specific organization. The study concluded that workforce quality is affected by institutional environment where the workers live. Secondly, the study provided an empirical relevance on human capital by testing the extent to which the quality of institutions affects the quality of the workforce. The results of the study indicated that countries with better governance indicators are endowed with more qualified workforce. Further, countries with better quality institutions have quality workforce.

Munjuri, K'Obonyo and Ogutu (2015) did a study to establish the influence of human capital on the performance of insurance firms and commercial banks in Kenya. Using a descriptive cross-sectional survey design and a census survey, all the 43 commercial banks and 45 insurance companies were analysed. A questionnaire was used to collect data from the strategic managers. The research hypothesis was tested using simple linear regression analysis at 95% confidence interval. Computation of descriptive statistics was done on the data and the results were presented using tables. The study found out that human capital (education level, tenure and job-related skills) had a statistically significant effect on non-financial measures of firm performance.

From the reviewed literature, researchers have done an exploration of human capital on a piecemeal basis. There is therefore a need to adopt a multi-faceted and a more integrated human capital approach. The challenges on the implementation of a wholesome human capital strategy has basically focused on single strategy

implementation with no focus of human capital as controlling factor in public service delivery. Issues on proper human factor recruitment, training, rewarding and compensation have been overlooked in strategy formulation. The literature review did not come across any study done on the influence of human capital factors that drive the county governments' economic development in Kenya and how those factors influence service delivery in an effective and efficient manner. This study therefore seeks to fill this gap by trying to assess the influence of human capital factors on performance of County Governments in South Eastern Kenya region.

2.5 Conceptual Framework

Camp (2001) defines a conceptual framework as a structure which a researcher believes can best explain the natural progression of a phenomenon to be studied. Miles and Huberman (1994) argue that a conceptual framework can be graphical or in a narrative form showing the main variables or constructs to be studied and the anticipated relationship between them. The conceptual framework is based on the McKinsey 7S Framework focusing on the soft elements consisting of skills, staff, style and shared values. This study adopted the conceptual framework shown in Figure 2.1.

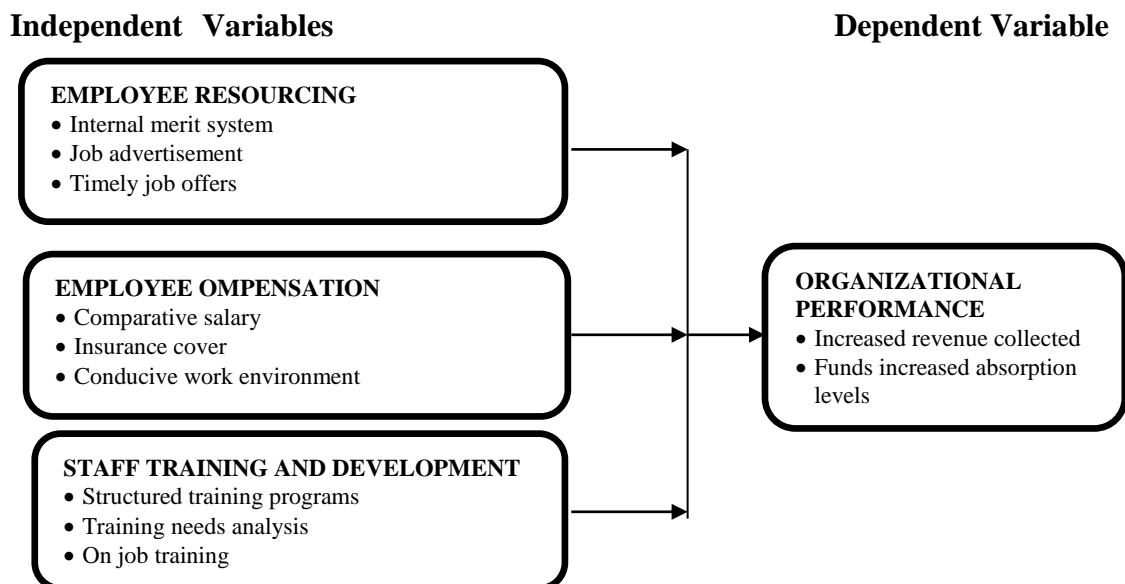


Figure 2.1: Conceptual Framework

Source: Researcher (2019)

2.5.1 Employee Resourcing

Gamage (2014) argues that the quality of a firm's human capital depends heavily on the effectiveness of recruitment and selection functions. According to Ofori & Aryeetey (2011), it is costly for organizations to recruit and select the wrong candidates who lack the requisite capabilities. This means that the organization has a responsibility to obtain the number and quality of employees that are necessary to achieve the strategic objectives at minimal costs.

Employee resourcing is termed as “that part of personnel and development which focusses on the recruitment and release of individuals from organizations, as well as the management of their performance and the potential while employed by the organization” (Pilbeam & Colbridge, 2002). Taylor (2002) states that “an effective hiring and firing, attracting the best candidates, reducing staff turnover and improvement of employee performance are fundamental for management functions of an organization.”

2.5.2 Employee Compensation

Employee compensation is one of the most critical factor in an organizational strategic planning. According to Gupta and Shaw (2014), compensation influences the quality and effectiveness of human capital. It affects the “quality of people who apply, the quality of those hired, possibility of job acceptance, workforce motivation and performance level, and the quality of who” the organization is able to retain.

2.5.3 Staff Training and Development

Marriss (2011) argues that “staff development is a sufficiently complex concept to defy a simple definition.” However, and as a generally accepted definition, staff development refers to the “process where employees of an organization enhance their knowledge and skills in the directions that are advantageous to their roles in their organization.”

2.5.4 County Government Performance

According to Richard, Devinney, Yip and Johnson (2009), organizational performance is the “ultimate dependent variable of interest for researchers concerned with just any area of management.” The measurement of organizational performance is essential to allow managers and researchers in the evaluation of specific actions of rivals and how the firms are evolving and performing over time.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the methodology used to establish the influence of human capital factors on organizational performance of devolved governments in South Eastern Kenya region. The chapter discusses the research design, target population, sample size and sampling techniques, data collection methods data analysis and presentation, validity and reliability.

3.1 Research Design

According to Kothari (2004), a research design refers to the conceptual structure within which a research is done and comprises a blueprint for data collection, measurement and analysis. A research design contains an outline of what the researcher will do from the hypothesis writing and its operational effect to the final data analysis. This study adopted a descriptive research design to obtain information on the influence of human capital factors on organizational performance of devolved governments in South Eastern Kenya region (Kitui, Machakos and Makueni counties).

3.2 Population

Neuman (2014) defines a target population as the specific collection of elements that can be studied in a research. It is the concretely specific entire group of many cases from which a researcher draws a sample to enable generalization of results from the sample. The population of the study comprises of 179 senior staff working with the devolved governments in South Eastern Kenya region. Table 3.1 shows the target population. The population is categorized in County executive committee members, county chief officers, county directors, deputy directors, assistant directors and sub-county administration officers working in Kitui, Machakos and Makueni counties forming the South Eastern Kenya region.

Table 3.1 Target Population

Category	Kitui	Machakos	Makueni	Population (N)
County Executive Committee Members	9	10	10	29
County Chief Officers	9	10	10	29
County Directors	9	10	10	29
Deputy Directors.	14	11	10	35
Assistant Director	14	11	10	35
Sub-County Administration Officers	8	8	6	22
Total	63	60	56	179

Source: County websites of the three County Governments (2019)

3.3 Sample Size and Sampling Technique

A sampling frame is an empirically concrete specific list of items that closely approximates all elements of the population (Neuman, 2014). The sampling frame which is considered for this study is a list of the permanent employees from the strategic management department of each county ministry in the county governments of South Eastern Kenya region. The study adopted a stratified sampling technique on the basis of ministries and a proportionate sample of 59 respondents drawn from the target population of 179.

The County Executive Committee Members (CECM) represents a body of the decision makers in the counties. Chief Officers (CO) represent the accounting officers and policy implementers. Directors and deputy directors represent budget implementers and project supervisors while the assistant directors and sub-county administrators are technical officers and project monitoring unit for project implementation programs. From each stratum of the target population, simple random sampling was utilized to select the 59 respondents.

According to Mugenda and Mugenda (2003), at least 10% of the accessible population is enough for a study. Andrea Fryrear, 2015) argue that 10% and above for external survey and 30% and above for internal survey is acceptable. The sample however must be carefully selected to be representative of the population and that the subdivisions entailed in the analysis are accurately catered for. The researcher selected 25% of the population in category of County executive, Chief officers and sub county officers and 40% for County directors, County deputy directors and Assistant directors. According to Mugenda and Mugenda (1999) a sample of between 20% to 30% sample sizes is adequate The sample size of 59 Senior County staffs as illustrated in the Table 3.2 below was adopted.

Table 3.2 Sample Size

Category	Population (N)	Sample size (n)
County Executive Committee Members	29	7
County Chief Officers	29	7
County Directors	29	11
Deputy Directors.	35	14
Assistant Director	35	14
Sub-County Administration Officers	22	6
Total	179	59

Source: Researcher (2019)

3.4 Data Collection Procedure

Kombo and Tromp (2006) define data collection as the action of gathering specific information with the aim to refute or reprove some facts. The study used both primary and secondary data. This study used a structured questionnaire in the form of a Likert scale and the respondents were required to indicate their views on a scale of 1 to 5. The questionnaire consisted both open and closed ended questions. Questionnaires were preferred because they are easy to design, distribute and collect required data

(Gray, 2013). The questionnaires were self-administered and collected. The secondary data was collected from journals, government official reports and newspapers.

3.5 Data Processing and Analysis

The returned questionnaires were coded, checked for completeness, errors and inconsistencies that may have occurred in the process of data collection. The errors and inconsistencies were corrected before performing the data analysis. The data was then analyzed by use of descriptive and inferential statistics. The analysed data will be presented using tables, bar graphs and charts to summarize the responses and facilitate comparison. The study utilized Microsoft Excel (2016) and Statistical Package for Social Sciences (SPSS) Version 21 for data analysis and presentation. The regression model which was used in this study is shown below.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon \dots\dots\dots (1)$$

Where:

Y is the performance of the county governments of the South Eastern Kenya region as measured by increased revenue collection, and funds absorption levels.

X₁ represents employee resourcing as measured by internal merit system, job advertisements, and timely job offers.

X₂ represents compensation of employees as measured by comparative salary awards, insurance cover, and conducive work environment.

X₃ represents employee's staff development as measured by structured training programs, training needs analysis, and on-the-job training.

ε represent the error term due to the regression,

B₀ is the regression constant, and β₁, β₂, and β₃ are the regression coefficients of the independent variables X₁, X₂ and X₃.

3.6 Unit of Analysis

According to White and Marsh (2007), pragmatism leads to the determination of sampling and data collection unit. In other words, the research question or hypothesis determines the unit of analysis. Zucker (2001) notes that “a unit of analysis varies from an individual to a corporation. Operationally defining the unit of analysis helps with study replication and comparisons.” The study sought to establish the effect of human capital factors on performance of the county governments of the South Eastern Kenya Region. This study used the individuals and the County Governments of South Eastern Kenya Region as the units of analysis.

3.7 Operationalization of Variables

Discussed in this sub-section is the measurement of the variables used in the model above. Investigation into the measurement of the variables not only aid in inspection of the validity of the findings and conclusions made but also establishment of the appropriateness of the statistical techniques used in the data analysis. Based on the work of previous scholars, it is evident that each discussed variable is operationalized differently.

3.7.1 Employee Resourcing

For the analysis of the study, the researcher sought to establish whether the county governments utilized an internal merit systems, strategic planning, advertisement to the public, innovative staff recruitment systems and timely job offers during the manpower hiring.

3.7.2 Employee Compensation

For the study, the researcher considered timely and comensurate payment of salaries, availability of medical and life insurance scheme, mortgage scheme, and non-financial compensation in terms of career training and a good work environment.

3.7.3 Staff Training and Development

For the analysis in the study, the researcher sought to establish whether the county governments employed training needs analysis, structured training programs, professional workshops, coaching and mentoring, regular job evaluations, and staff involvement in decision making as a way of staff development.

3.7.4 County Government Performance

In management research, organizational performance is one of the most imperative constructs. According to Richard, Devinney, Yip and Johnson (2009), organizational performance is the “ultimate dependent variable of interest for researchers concerned with just any area of management.” The measurement of organizational performance is essential to allow managers and researchers in the evaluation of specific actions of rivals and how the firms are evolving and performing over time.

Chenhall and Langfield-Smith (2007) advocates for the use of a multiple perspectives of performance measure with a consideration to the specific disciplines. The “discipline specific measures” range from “customer satisfaction, productivity, and employee satisfaction.” The study addressed the performance of county governments by focusing on financial measures, project productivity, customer satisfaction and manpower satisfaction.

3.8 Pilot Test of Questionnaire

According to Biocca, Burgoon, Harms and Stoner (2001), a pilot test is a study done before the actual empirical study. A pilot study was conducted to check the validity and reliability of the research instruments. Cooper and Schindler (2008) defines validity as the extent to which a research instrument measures what it is supposed to measure. A reliable instrument is valid for data analysis. Reliability is defined by Cooper and Schindler (2008) as the consistency, stability and dependability of the test data. Before the actual collection of the data, three questionnaires were given to county chief officers to fill them and recommend any amendments which were considered and executed. The amended questionnaires were then self-administered

to the sample and collected for data analysis. The data was subjected to diagnostic tests to check for reliability.

3.9 Ethical Issues

The questionnaire were given out together with a researcher's letter requesting cooperation and assurance of data confidentiality were attached to each application. The authority letter from the university was also shown to respondents to confirm the genuineness of the research activity. The researcher personally paid courtesy calls to Senior officers such as County Executive Committee Members (County Ministers), Chief Officer (Accounting Officers) and some Directors.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This chapter details the results of the data collected and analysed. The goal of the study was to investigate the influence of human capital factors on the performance of devolved governments in South Eastern Kenya Region. The results are based on three study objectives which were intended to provide answers to the research problem. The presentation of the data is done using charts and tables to categorically present clear findings of the study.

4.1 Response Rate

Figure 4.1 below shows the response rate of the respondents in the study. The figure indicates the respondents who satisfactorily participated in the study and those who did not respond.

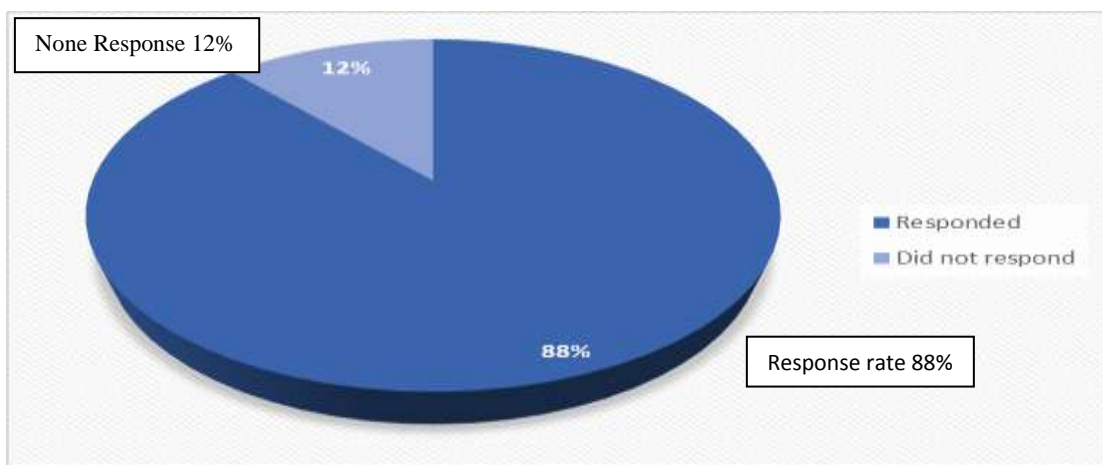


Figure 4.1 Response Rate

As indicated in table 4.1 above, from a sample size of 59 respondents, the response rate was 88% and the non-response rate was 12%. The response rate was satisfactory and could provide reliable results for the study. According to Mugenda and Mugenda (2003), a 75% response rate is preferred for reliable study results.

4.2 Sample Demographic Characteristics

This section provides the sample characteristics from the three counties examined. The counties are; Kitui, Machakos and Makueni and they form the South Eastern Kenya Region. The sample profile was classified according to several parameters of gender, age, position held in the devolved government, period of service at the present job, the period worked on previous job before joining the county government, and the highest education level attained.

4.2.1 Demographic Information

Table 4.1 below shows the demographic information for the respondents in Kitui County. The characteristics examined were period worked in previous job placements, position held in Kitui County, gender of the respondents, highest education level attained by the respondents, age of the respondents and period of service in their current positions held.

Table 4.1 Demographic Information for Kitui County

	Frequency	Percent		Frequency	Percent
Period Worked in Previous Job			Position Held in the County		
1-5 Years	1	5.9	County Executive Committee Member	2	11.8
6-10 Years	4	23.5	Chief Officer	2	11.8
11-15 Years	4	23.5	County Directors/Deputy Director	7	41.2
16-20 Years	3	17.6	Assistant Director	5	29.4
21-25 Years	2	11.8	Sub-County Administrator	1	5.9
>25 Years	3	17.6			
Gender			Highest Education Level		
Male	13	76.5	Diploma	2	11.8
Female	4	23.5	Graduate	8	47.1

		Post Graduate		7	41.2
Age		Period of Service			
20-35 Years	3	17.6	Less than 1 year	2	11.8
36-45 Years	5	29.4	1-3 Years	3	17.6
46-55 Years	4	23.5	>3 Years	12	70.6
56-60 Years	5	29.4			

Source: Researcher (2019)

From table 4.1 above, 5.9% of the respondents had a 1-5 years experience in their previous job, 23.5% had 6-10 years previous experience, 23.5% of the respondents had 11-15 years of experience in their previous job placements, 17.6% of the respondents had 16-20 years previous experience, 11.8% of the respondents had 21-25 years experience in their previous jobs, and 17.6% of the respondents had worked for over 25 years in their previous job placements. This means that 70.5% of kitui respondents had worked for over 10 years before joining the county government.

The table 4.1 above also indicates that the county executive committee members comprised 11.8% of the respondents, 11.8% were chief officers, 41.2% were county directors/deputy directors, 29.4% were assistant directors, and 5.9% were sub-county administrators. Majority of the respondents were male comprising of 76.5% of the respondents while 23.5% were female. Among the respondents, 11.8% of the respondents had diploma as their highest education qualifications, 41.2% had post graduate qualifications while majority of the respondents (47.1%) had graduate qualifications. This means 88.3% of respondents had attained university degrees. Additionally, the tables above shows that 17.6% of the respondents were aged between 20-35 years, 29.4% were aged between 36-45 years, 23.5% of the respondents were aged between 46-55 years, and 29.4% of the respondents had their ages ranging from 56-60 years. The respondents who had served in Kitui County for less than one year comprised of 11.8%, those who had served for 1-3 years were 17.6% while majority had served for over 3 years having a 70.6% of the respondents.

Table 4.2 below indicates the demographic characteristics for the respondents in Machakos County. The characteristics examined were period worked in previous job placements, position held in Machakos County, gender of the respondents, highest education level attained by the respondents, age of the respondents and period of service in their current positions held.

Table 4.2 Demographic Information for Machakos County

Period Worked in Previous Job			Position Held in the County		
	Frequency	Percent		Frequency	Percent
1-5 Years	5	25	County Executive Committee Member	3	15
6-10 Years	4	20	Chief Officer	2	10
11-15 Years	2	10	County Director	5	25
16-20 Years	6	30	County Deputy Director	3	15
21-25 Years	2	10	Assistant Director	7	35
>25 Years	1	5			
Gender			Highest Education Level		
Male	13	65	Diploma	1	5
Female	7	35	Graduate	9	45
			Post Graduate	10	50
Age			Period of Service in the County		
20-35 Years	2	10	Less than 1 year	1	5
36-45 Years	7	35	1-3 Years	2	10
46-55 Years	7	35	>3 Years	17	85
56-60 Years	4	20			

Source: Researcher (2019)

From table 4.2 above, 65% of the respondents were male and 35% were female. The respondents aged between 20-35 years were 10%, those aged between 36-45 years were 35%, those aged between 46-55 years were 35%, and 20% of the respondents were aged between 56-60 years. Majority of the respondents in Machakos County had post graduate educational qualifications with 50%, this was followed by graduates who had 45% while the respondents having diploma qualifications was only 5%.

The table above also indicates that 25% of the respondents had 1-5 years of experience in their previous job placements, 20% had 6-10 years of previous experience, 10% had 11-15 years of previous experience, 30% had 16-20 years of previous experience, 10% had 21-25 years of previous experience while only 5% had over 25 years of experience in their previous employment. This means that 55% of the respondents had over 10 years of previous service before joining the county government.

In addition, majority of the respondents held Assistant director positions in the county and comprised of 35%. This was followed by county directors who comprised of 25%, county executive committee members were 15%, county deputy directors were also 15%, and chief officers were only 10%. From the table above, it can be observed that those respondents who had worked for over 3 years in their current positions were the majority with 85%. The respondents who had an experience of 1-3 years in their current position were 10%, and those who had less than 1 year period of service was only 5%.

Table 4.3 below shows the demographic features for the respondents in Makueni County. The information examined were period worked in previous job placements, position held in Makueni County, gender of the respondents, highest education level attained by the respondents, age of the respondents and period of service in their current positions held.

Table 4.3 Demographic Information for Makueni County

Period Worked in Previous Job			Position Held in the County		
	Frequency	Percent		Frequency	Percent
1-5 Years	7	46.7	Chief Officer	3	20
6-10 Years	4	26.7	County Director	3	20
11-15 Years	3	20	County Deputy Director	3	20
21-25 Years	1	6.7	Assistant Director	3	20
			Sub-County Administrator	3	20
Highest Education Level			Period of Service		
Graduate	6	40	1-3 Years	5	33.3

Post Graduate	9	60	>3 Years	10	66.7
Age			Gender		
20-35 Years	3	20	Male	7	46.7
36-45 Years	9	60	Female	8	53.3
46-55 Years	3	20			

Source: Researcher (2019)

From table 4.3 above, 53.3% of the respondents in Makueni County are female and 46.7% are male. The table above also shows that 60% of the respondents are aged between 36-45 years, 20% are aged between 20-35 years, and 20% are aged 46-55 years. The study did not establish any respondent aged over 60 years of age. Further, the table above shows that 60% of the respondents possess post graduate educational qualifications while 40% have graduate qualifications. There is no respondent who indicated to possess a diploma education qualification. Thus, Makueni county had highly qualified staff as compared to Kitui and Machakos counties.

The table above also shows that 46.7% of the respondents in Makueni County had 1-5 years in their previous job placements, 26.7% had 6-10 years of previous experience, 20% had 11-15 years of previous experience, and 6.7% of the respondents had 21-25 years of previous work experience. This means only 26.7% had previous service of over 10 years. From the study, it was also established that there was a uniform composition of the respondents in terms of positions held in Makueni county government from chief officers, county directors, county deputy directors, assistant directors and sub-county administrators. However, the study did not get any response from any county executive committee members. As shown in the table above, 33.3% of the respondents indicated that they had worked with the county government for a period of 1-3 years, and 66.7% had worked for over 3 years. The findings did not establish any respondent who had less than 1 year service on the current job placement. Thus, Makueni county had employed highly qualified staff and have many years of experience in Makueni county service.

Table 4.4 below shows the overall sample characteristics for the devolved governments of South Eastern Kenya Region (SEKER). This region comprises of three counties; Kitui, Machakos and Makueni. The demographic information

examined included years of service in previous job placements, position held in the overall devolved governments of South Eastern Kenya Region, education level, period of service in the present job, age and gender of all the respondents in the sample.

Table 4.4 Sample Characteristics for SEKER

Years of Service in Previous Job			Position Held in the devolved governments of SEKR		
Frequency	Percent		Frequency	Percent	
1-5 Years	13	25	County Executive Officer	5	9.6
6-10 Years	12	23.1	Chief Officer	7	13.5
11-15 Years	9	17.3	County Director	8	15.4
16-20 Years	9	17.3	County Deputy Director	13	25
21-35 Years	5	9.6	Assistant Director	15	28.8
Over 25 Years	4	7.7	Sub County Administrator	4	7.7
Education Level			Period of Service at Present Job		
Diploma	3	5.7	Less than 1 Year	3	5.8
Graduate	23	44.3	1-3 Years	10	19.2
Post Graduate	26	50	More than 3 Years	39	75
Age			Gender		
20-35 Years	8	15.4	Male	33	63.5
36-45 Years	21	40.4	Female	19	36.5
46-55 Years	14	26.9			
56-60 Years	9	17.3			

Source: Researcher (2019)

As indicated on table 4.4, the gender diversity shows that majority of the respondents were male with a percentage of 63.5% as compared to female respondents with 36.5% meeting the constitutional threshold of two third gender rule. The analysis revealed that majority of the employees in the devolved governments of SEKR were male. From the analysis, the majority age bracket of the respondents was 36-45 years with a percentage of 40.4%. Further, the age brackets of 46-55 years have a percentage of 26.9%, age bracket of 56-60 years have a percentage of 17.3%, and 20-35 years age bracket have a percentage of 15.4%. The analysis did not identify any existing age

group of over 60 years. The number of youth employed at these senior management levels in the region remains at 15.4% against 84.6% of other age brackets.

As indicated in table above, the analysis established that majority of the respondents (28.8%) held positions in the devolved governments of South Eastern Kenya region as assistant directors. Other positions held include county executive officers, chief officers, county directors, county deputy directors, and sub county administrators with percentages of 9.6%, 13.5%, 15.4%, 25% and 7.7% respectively.

From the table above, it is notable that majority of the respondents had more than three years of service in their current job with a percentage of 75%. However, very small percentage (5.8%) of the respondents indicated that they had less than one year serving in their current positions. The other category of respondents indicated that they had 1-3 years of service in their current position with a percentage of 19.2%.

From the table above, it was established that 25% of the respondents had served for 1-5 years in previous jobs before joining the county governments under examination, which is the majority. Further, the respondents who had previous experience of 6-10 years, 11-15 year, 16-20 years, 21-35 years, and over 25 years represented a percentage of 23.1%, 17.3%, 17.3%, 9.6% and 7.7% respectively.

The analysis established that majority of the respondents (50%) had post graduate educational qualifications as shown in table 4.4 above. Additionally, respondents who had graduate educational qualifications were 44.3%, those who had diploma qualifications were 5.7%, This means that in the devolved governments of the South Eastern Kenya, majority of the employees are highly qualified with university qualification (94.3%) to run the operations of the county governments.

4.3 Diagnostic Tests

The aim of the study was to evaluate the influence of human capital factors on the performance of devolved governments in South Eastern Kenya region. In order to describe the influence of employee resourcing, employee compensation and staff training and development on the performance of the county governments, a multiple

linear regression model was adopted. Prior to any reporting on the coefficients of regression and the statistical significance of the model, several diagnostic tests were conducted. These tests include, serial correlation tests, normality tests, collinearity tests and heteroscedasticity.

4.3.1 Serial Correlation Tests

Serial correlation or autocorrelation is a test done to establish whether the estimated regression model has serial correlation or not. When the residuals of the model are correlated, it means that there is a problem of serial correlation. The results of a regression model which is affected by serial correlation should not be accepted. To test the serial correlation, the study used Durbin Watson statistic. The Durbin Watson is between 0-4. If the value is close to zero, this indicates that there is a strong positive correlation among residuals. On the other hand, if the Durbin Watson value is close to 4, there is a strong negative correlation among the residuals. If the Durbin Watson value is close to 2, there is no serial correlation among the model residuals. Table 4.5 below presents the results of the serial correlation test conducted.

Table 4.5 Serial Correlation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.603 ^a	.363	.322	.31736	1.742

a. Predictors: (Constant), Staff Training and Development, Employee Compensation, Employee Resourcing

b. Dependent Variable: County Government Performance

Source: Researcher (2019)

As indicated in table 4.5 above, the Durbin Watson statistic is 1.742 which is close to 2 implying that the regression model is not suffering from any serial correlation therefore it can be used for predicting the influence of human capital factors on the performance of devolved governments in South Eastern Kenyan region.

4.3.2 Normality Tests

Any statistical procedure should be checked for normality assumptions because its validity depends on it. The parametric tests was used based on whether the data follows a Gaussian distribution. Normality assumptions are essential because when they lack, drawing accurate and reliable conclusion on a reality will be impossible (Ghasemi & Zahediasl, 2012). To determine whether the data had a normal distribution, skewness and kurtosis was used.

Table 4.6 Normality Tests

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
County Government Performance	51	-.975	.333	1.281	.656
Employee Resourcing	51	-.238	.333	-.403	.656
Employee Compensation	51	.079	.333	-.124	.656
Staff training and Development	51	-.485	.333	-.358	.656
Valid N (listwise)	51				

Source: Researcher (2019)

As indicated in table 4.6 above, the data met the thresholds of normality and the skewness was within the desired range of -3 to 3, and kurtosis was within the desired range of -10 to 10.

4.3.3 Multicollinearity Tests

Multicollinearity is a condition where explanatory variables in a multiple regression model are highly linearly related. In a multiple regression model, one predictor variable should be linearly predicted from the other variables with a significant degree of precision. Collinear predictor variables indicate how well they predict the dependent variables. To test for multicollinearity, the study used Variance Inflation

Factor (VIF). A Value Inflation Factor more than 10 indicates that the variable data has multicollinearity problems.

Table 4.7 Multicollinearity Tests

Model		Collinearity Statistics	
		Tolerance	VIF
1	Employee Resourcing	.593	1.686
	Employee Compensation	.646	1.548
	Staff Training and Development	.510	1.960

a. Dependent Variable: County Government Performance

Source: Researcher (2019)

As shown in table 4.7 above, all the independent variables do not have multicollinearity problems and the VIFs are satisfactory. The VIFs for employee resourcing, employee compensation and staff training and development are 1.686, 1.548 and 1.960 respectively. This means that the regression estimates and corresponding statistical significance levels associated with the data weights are not adversely affected.

4.3.4 Heteroscedasticity Diagnostics

Heteroscedasticity refers to a situation where there is a difference in the variability across a range of data values between an independent and a dependent variable. It assumes that the error terms in a linear regression have a normal distribution. To ensure a statistical significance test of the heteroscedasticity, the Breusch-Pagan and Koenker tests were used. The Breusch Pagan and Koenker tests of heteroscedasticity examine whether the variance of the statistical regression errors is dependent on the values of the predictor variables. If this case occurs, then heteroscedasticity is present. From the syntax results in table 4.8 below, the assumption of heteroscedasticity has not been violated. The table indicates that the significant values for both tests are 0.361 and 0.456 for Breusch-Pagan and Koenker tests respectively. The rule of thumb is that if the significant value is less than 0.05, then we reject the null hypothesis that heteroscedasticity is not present.

Table 4.8 Heteroscedasticity Tests

Breusch-Pagan and Koenker test statistics and sig-values		
	LM	Sig
BP	3.203	.361
Koenker	2.607	.456

Source: Researcher (2019)**4.4 Descriptive Analysis**

It was essential to conduct descriptive data analysis on the data to establish whether there were outliers in the data set. The assumption was that there were no significant outliers. On a Likert scale of 1 to 5 (where, 1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree and 5=strongly agree), the respondents were required to indicate the extent the devolved governments dealt with human capital factors.

Table 4.9 Descriptive Statistics

	County Government Performance	Employee Resourcing	Employee Compensation	Staff Training and Development
Mean	3.6971	3.9154	3.6635	3.5609
Median	4.0000	3.9000	3.5000	3.8333
Mode	4.00	3.60	3.50	4.00
Std. Deviation	.89980	.68981	.74736	.93935
Minimum	1.00	2.20	2.00	1.33
Maximum	5.00	5.00	5.00	5.00

Source: Researcher (2019)

As indicated in table 4.9 above, the standard deviations for county government performance, employee resourcing, employee compensation and staff training and development is 0.8998, 0.68981, 0.74736 and 0.93935 respectively. The standard deviations are too small implying that the data points tend to be very close to the mean. Hence the analysis did not encounter any outliers in the data sets. From the table, the mean for all the variables ranges from 3.5609 to 3.9154 implying that the

average respondents neither agreed nor disagreed on the influence of the human capital factors considered in the study.

4.5 Correlation Analysis

Table 4.10 below shows the results of the correlation analysis conducted on the data for the dependent and the independent variables. The independent variables are employee resourcing, employee compensation and staff training and development. The dependent variable is county government performance. A 2-tailed Pearson correlation test was conducted and a significance level of 0.05.

Table 4.10 Correlation Matrix

		County Government Performance	Employee Resourcing	Employee Compensation	Staff Training and Development
County Government Performance	Pearson Correlation	1			
Employee Resourcing	Pearson Correlation	.563**	1		
Employee Compensation	Pearson Correlation	.445**	.556**	1	
Staff Training and Development	Pearson Correlation	.708**	.676**	.642**	1

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

Source: Researcher (2019)

From the results shown in the table 4.10 above, there is a statistically significant and strong positive correlation between employee resourcing and county government performance (p-value=0.000, r=0.563). The correlation between employee compensation and county government performance is strong and statistically significant (p-value=0.001, r=0.445). The results also indicate a very strong but positive statistically significant correlation between staff training and development and county government performance (p-value=0.000, r=0.708).

4.6 Influence of Employee Resourcing on Performance

The first objective was to establish the influence of employee resourcing on the performance of devolved government in South Eastern Kenya Region (SEKER). This section presents the results of employee resourcing and its influence on performance of the individual counties comprising the SEKER. Table 4.11 to table 4.19 below shows the results of the influence of employee resourcing (ER) on county government performance (CGP).

Table 4.11 presents the model summary for employee resourcing and Kitui county government performance.

Table 4.11 Model Summary of ER and Kitui CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664 ^a	.440	.403	.96209

a. Predictors: (Constant), Employee Resourcing

Source: Researcher (2019)

As indicated in the table 4.11 above, the coefficient of determination (R^2), which is a measure of goodness-of-fit for the linear regression, was 0.440 implying that there was a very strong fit. This means that the individual model using employee resourcing explains 56% of the variability in the Kitui county government performance around its mean. Other factors not considered in this individual regression explain 43.7% of the variability in Kitui county government performance.

Table 4.12 below shows the Analysis of Variance (ANOVA) of employee resourcing (ER) and Kitui county government performance (CGP).

Table 4.12 ANOVA of ER and Kitui CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.924	1	10.924	11.802	.004 ^b
	Residual	13.884	15	.926		
	Total	24.809	16			

a. Dependent Variable: County Government Performance

b. Predictors: (Constant), Employee Resourcing

Source: Researcher (2019)

From the table 4.12 above, the results indicate an F-test of 11.802 which has a statistical significance less than 0.05. This means employee resourcing has a statistically significant influence on county government performance. The p-value of 0.004 is less than our set alpha of 0.05 and this implies that at 95% confidence interval the null hypothesis is rejected.

Table 4.13 below shows the regression coefficients for employee resourcing and Kitui county government performance.

Table 4.13 Coefficients of ER and Kitui CGP

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-.350	1.069		-.327	.748
	Employee Resourcing	.974	.283	.664	3.435	.004

a. Dependent Variable: County Government Performance

Source: Researcher (2019)

As indicated in the table 4.13 above, the coefficient of 0.974 is statistically significant with a p-value of 0.004 which is less than our set alpha of 0.05. This confirms that there is a significant relationship between employee resourcing and the performance of Kitui county government. The relationship between employee resourcing and Kitui county government performance can be summarised in equation 2 indicated below.

$$Y = -0.35 + 0.974X_1 + \epsilon_1 \dots \dots \dots (2)$$

Table 4.14 below shows the regression model summary for employee resourcing and Machakos county government performance.

Table 4.14 Model Summary of ER and Machakos CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.405 ^a	.164	.117	.60716

a. Predictors: (Constant), Employee Resourcing

Source: Researcher (2019)

As shown in the table 4.14 above, the coefficient of determination (R^2) was 0.164 implying that there was a very weak fit. This means that the individual model using employee resourcing explains 16.4% of the variability in the Machakos county government performance around its mean. Other factors not considered in this individual regression model explain 83.6% of the variability in Machakos county government performance.

Table 4.15 below shows the Analysis of Variance (ANOVA) of employee resourcing (ER) and Machakos county government performance (CGP).

Table 4.15 ANOVA of ER and Machakos CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.299	1	1.299	3.523	.077 ^b
1	Residual	6.636	18	.369		
	Total	7.934	19			

a. Dependent Variable: County Government Performance

b. Predictors: (Constant), Employee Resourcing

Source: Researcher (2019)

From table 4.15 above, the results indicate an F-test of 3.523 which has a statistical significance greater than 0.05. This means employee resourcing has no statistically significant effect on county government performance. The p-value of 0.077 is greater than our set alpha of 0.05 and this implies that at 95% confidence interval we fail to reject the null hypothesis.

Table 4.16 below shows the regression coefficients for employee resourcing and Machakos county government performance.

Table 4.16 Coefficients of ER and Machakos CGP

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	1.848	1.082		1.708	.105
	Employee Resourcing	.482	.257	.405	1.877	.077

a. Dependent Variable: County Government Performance

Source: Researcher (2019)

As indicated in the table 4.16 above, the coefficient of 0.482 is not statistically significant with a p-value of 0.077 which is greater than our set alpha of 0.05. This confirms that there is no significant influence of employee resourcing on the performance of Machakos county government. The linear relationship between employee resourcing and Machakos county government performance can be summarised in equation 3 indicated below.

$$Y = 1.848 + 0.482X_2 + \epsilon_2 \dots \dots \dots (3)$$

Table 4.17 below shows the regression model summary for employee resourcing and Makueni county government performance.

Table 4.17 Model Summary of ER and Makueni CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.426 ^a	.181	.118	.43469

a. Predictors: (Constant), Employee Resourcing

Source: Researcher (2019)

As indicated in the table 4.17 above, the coefficient of determination (R^2) was 0.181 implying that there was a very weak fit. This means that the individual model using employee resourcing explains 18.1% of the variability in the Makueni county government performance around its mean. Other factors not considered in this

individual model explain 81.9% of the variability in Makueni county government performance.

Table 4.18 below shows the Analysis of Variance (ANOVA) of employee resourcing (ER) and Makueni county government performance (CGP).

Table 4.18 ANOVA of ER and Makueni CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.544	1	.544	2.877	.114 ^b
	Residual	2.456	13	.189		
	Total	3.000	14			

a. Dependent Variable: Makueni County Government Performance

b. Predictors: (Constant), Employee Resourcing

Source: Researcher (2019)

From the table 4.18 above, the results indicate an F-test of 2.877 which has a statistical significance greater than 0.05. This means employee resourcing has no statistically significant influence on Makueni county government performance. The p-value of 0.114 is greater than our set alpha of 0.05 and this implies that at 95% confidence interval, we fail to reject the null hypothesis.

Table 4.19 below shows the regression coefficients for employee resourcing and Makueni county government performance.

Table 4.19 Coefficients of ER and Makueni CGP

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	2.700	.775		3.485	.004
	Employee Resourcing	.340	.200	.426	1.696	.114

a. Dependent Variable: Makueni County Government Performance

Source: Researcher (2019)

As indicated in the table above, the coefficient of 0.34 is not statistically significant with a p-value of 0.114 which is greater than our set alpha of 0.05. The constant of regression (2.7) is statistically significant with a p-value of 0.004. This confirms that

there is no statistically significant influence of employee resourcing on the performance of Makueni county government. The linear relationship between employee resourcing and Makueni county government performance can be summarised in equation 4 indicated below.

$$Y = 2.7 + 0.34X_3 + \epsilon_3 \dots \dots \dots (4)$$

4.7 Influence of Employee Compensation on Performance

The second specific objective of the study was to examine the influence of employee compensation on county government performance. This section presents the results of employee compensation (EC) and its influence on performance of the individual counties comprising the SEKER. The individual regression model for employee compensation and county government performance is shown in table 4.20 to table 4.28.

Table 4.20 below shows the results of the model summary for employee compensation and Kitui county government performance.

Table 4.20 Model Summary of EC and Kitui CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609 ^a	.371	.329	1.02026

a. Predictors: (Constant), Employee Compensation

Source: Researcher (2019)

As shown in the table above, the coefficient of determination (R^2) was 0.371 implying that there was a weak goodness-of-fit for the linear regression line. This means that the individual model using employee compensation explains 37.1% of the variability in the Kitui county government performance around its mean. Other factors not considered in this individual regression explain 62.9% of the variability in Kitui county government performance.

Table 4.21 below shows the Analysis of Variance (ANOVA) of employee compensation (EC) and Kitui county government performance (CGP).

Table 4.21 ANOVA of EC and Kitui CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.195	1	9.195	8.833	.009 ^b
	Residual	15.614	15	1.041		
	Total	24.809	16			

a. Dependent Variable: County Government Performance

b. Predictors: (Constant), Employee Compensation

Source: Researcher (2019)

As shown in the table 4.21 above, the results indicate an F-test of 8.833 which has a statistical significance less than 0.05. This means employee compensation has a statistically significant effect on Kitui county government performance. The p-value of 0.009 is less than our set alpha of 0.05 and this implies that at 95% confidence interval the null hypothesis is rejected.

Table 4.22 below shows the regression coefficients for employee compensation and Kitui county government performance.

Table 4.22 Coefficients of EC and Kitui CGP

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.344	1.004		.343	.736
	Employee Compensation	.793	.267	.609	2.972	.009

a. Dependent Variable: Kitui County Government Performance

Source: Researcher (2019)

As indicated in the table 4.22 above, the employee compensation coefficient of 0.793 is statistically significant with a p-value of 0.009 which is less than our set alpha of 0.05. This confirms that there is a significant influence of employee compensation on the performance of Kitui county government. The relationship between employee compensation and Kitui county government performance can be summarised in equation 5 indicated below.

$$Y = 0.344 + 0.793X_4 + \epsilon_4 \dots \dots \dots (5)$$

Table 4.23 below indicates the results of the regression model summary for employee compensation and Machakos county government performance.

Table 4.23 Model Summary of EC and Machakos CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.197 ^a	.039	-.015	.65095

a. Predictors: (Constant), Employee Compensation

Source: Researcher (2019)

As indicated in the table 4.23 above, the coefficient of determination (R^2) was 0.039 implying that there was a very weak fit in the regression line. This means that the individual model using employee compensation explains only 3.9% of the variability in the Machakos county government performance. Other factors not considered in the individual model explain 96.1% of the variability in Machakos county government performance.

Table 4.24 below shows the ANOVA of employee compensation and Machakos county government performance.

Table 4.24 ANOVA of EC and Machakos CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.307	1	.307	.725	.406 ^b
	Residual	7.627	18	.424		
	Total	7.934	19			

a. Dependent Variable: County Government Performance

b. Predictors: (Constant), Employee Compensation

Source: Researcher (2019)

From the table 4.24 above, the results indicate an F-test of 0.725 which has a statistical significance greater than 0.05. This means employee compensation has no statistically significant influence on Machakos county government performance. The p-value of 0.406 is greater than our set alpha of 0.05 and this implies that at 95% confidence interval, we fail to reject the null hypothesis.

Table 4.25 below shows the regression coefficients for employee compensation and Machakos county government performance.

Table 4.25 Coefficients of EC and Machakos CGP

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.089	.920		3.358	.004
	Employee Compensation	.202	.237	.197	.851	.406

a. Dependent Variable: County Government Performance

Source: Researcher (2019)

As indicated in the table 4.25 above, the coefficient of 0.202 is not statistically significant with a p-value of 0.406 which is greater than our set alpha of 0.05. The constant of regression (3.089) is statistically significant with a p-value of 0.004. This confirms that there is no statistically significant influence of employee compensation on the performance of Machakos county government. The linear relationship between employee compensation and Machakos county government performance can be summarised in equation 6 indicated below.

$$Y = 3.089 + 0.202X_5 + \epsilon_5 \dots \dots \dots (6)$$

Table 4.26 below indicates the results of the regression model summary for employee compensation and Makueni county government performance.

Table 4.26 Model Summary of EC and Makueni CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.599 ^a	.359	.310	.38453

a. Predictors: (Constant), Employee Compensation

Source: Researcher (2019)

As shown in the table 4.26 above, the coefficient of determination (R^2) was 0.359 implying that there was a weak goodness-of-fit for the regression line. This means that the individual model using employee compensation explains 35.9% of the

variability in the Makueni county government performance. Other factors not included in this regression model explain 64.1% of the variability in Makueni county government performance.

Table 4.27 below shows the ANOVA of employee compensation and Makueni county government performance.

Table 4.27 ANOVA of EC and Makueni CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.078	1	1.078	7.290	.018 ^b
	Residual	1.922	13	.148		
	Total	3.000	14			

a. Dependent Variable: Makueni County Government Performance

b. Predictors: (Constant), Employee Compensation

Source: Researcher (2019)

As indicated on table 4.27 above, the results indicate an F-test of 7.290 which has a statistical significance less than 0.05. This means employee compensation has a statistically significant influence on Makueni county government performance. The p-value of 0.018 is less than our set alpha of 0.05 and this implies that at 95% confidence interval, we reject the null hypothesis.

Table 4.25 below shows the regression coefficients for employee compensation and Machakos county government performance.

Table 4.28 Coefficients of EC and Makueni CGP

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	2.427	.591		4.105	.001
	Employee Compensation	.454	.168	.599	2.700	.018

a. Dependent Variable: Makueni County Government Performance

Source: Researcher (2019)

As indicated in the table above, the coefficient of 0.454 is statistically significant with a p-value of 0.018 which is less than our set alpha of 0.05. The constant of regression

(2.427) is statistically significant with a p-value of 0.001. This confirms that there is a statistically significant influence of employee compensation on the performance of Makueni county government. The linear relationship between employee compensation and Makueni county government performance can be summarised in equation 7 indicated below.

$$Y = 2.427 + 0.454X_6 + \epsilon_6 \dots \dots \dots (7)$$

4.8 Influence of Staff Training and Development on Performance

The third specific objective of the study was to evaluate the effect of staff training and development on performance of devolved governments in South Eastern Kenya region. This section avails the results of staff training and development (STD) and its influence on performance of the individual counties under study. The individual regression model for staff training and development and county government performance is shown in table 4.29 to table 4.37.

Table 4.29 below shows the results of the regression model summary for staff training and development and Kitui county government performance.

Table 4.29 Model Summary of STD and Kitui CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880 ^a	.775	.760	.61065

a. Predictors: (Constant), Staff Development

Source: Researcher (2019)

From the table above, it can be observed that the coefficient of determination is 0.775. This implies that the model has a very strong fit and can be relied in explaining the variability of staff development in Kitui county government performance. As indicated, 77.5% of the staff training and development explains the variability in Kitui county government performance and other factors not considered in this regression explain 22.5% of the variability.

Table 4.30 below shows the ANOVA of staff training and development and Kitui county government performance.

Table 4.30 ANOVA of STD and Kitui CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.215	1	19.215	51.531	.000 ^b
	Residual	5.593	15	.373		
	Total	24.809	16			

a. Dependent Variable: Kitui County Government Performance

b. Predictors: (Constant), Staff Development

Source: Researcher (2019)

As indicated in table 4.30 above, the F-statistic is 51.531 has a probability of 0.000 which is less than 0.05. This means that at 95% confidence interval, the model is statistically significant and therefore there is significant influence of staff training and development on Kitui county government performance.

Table 4.31 below shows the regression coefficients for staff training and development and Kitui county government performance.

Table 4.31 Coefficients of STD and Kitui CGP

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.175	.451		.387	.704
	Staff Development	.961	.134	.880	7.179	.000

a. Dependent Variable: County Government Performance

Source: Researcher (2019)

As indicated in the table 4.31 above, the regression constant is 0.175 and the coefficient of staff training and development is 0.961 with a probability of 0.704 and 0.000 respectively. This confirms that the staff development has a significant influence on Kitui county government performance. The regression model can therefore be summarised in equation 8 shown below.

$$Y = 0.175 + 0.961X_7 + \epsilon_7 \dots \dots \dots (8)$$

Table 4.32 below indicates the results of the regression model summary for staff training and development and Machakos county government performance.

Table 4.32 Model Summary of STD and Machakos CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.596 ^a	.356	.320	.53295

a. Predictors: (Constant), Staff Training and Development

Source: Researcher (2019)

From the table 4.32 above, it can be observed that the coefficient of determination (R^2) is 0.356. This implies that the model has a weak goodness-of-fit regression line. As indicated, 35.6% of the staff training and development explains the variability in Machakos county government performance and other factors not considered in this regression explain 64.4% of the variability.

Table 4.33 below shows the ANOVA of staff training and development and Machakos county government performance.

Table 4.33 ANOVA of STD and Machakos CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	2.822	1	2.822	9.934	.006 ^b
1	Residual	5.113	18	.284		
	Total	7.934	19			

a. Dependent Variable: County Government Performance

b. Predictors: (Constant), Staff Training and Development

Source: Researcher (2019)

As shown in the table 4.33 above, the F-statistic is 9.934 has a probability of 0.006 which is less than 0.05. This means that at 5% significance level, the model is statistically significant and therefore there is significant influence of staff training and development on Machakos county government performance.

Table 4.34 below indicates the results of the regression model summary for staff development and Machakos county government performance.

Table 4.34 Coefficients of STD and Machakos CGP

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	1.681	.702		2.393	.028
	Staff Development	.541	.172	.596	3.152	.006

a. Dependent Variable: County Government Performance

Source: Researcher (2019)

As shown in the table 4.34 above, the regression constant is 1.681 and the coefficient of staff training and development is 0.541 with a probability of 0.028 and 0.006 respectively. This confirms that the staff training and development has a significant influence on Machakos county government performance. The regression model can therefore be summarised in equation 9 shown below.

$$Y = 1.681 + 0.541X_8 + \epsilon_8 \dots \dots \dots (9)$$

Table 4.35 below indicates the results of the regression model summary for staff development and Makueni county government performance.

Table 4.35 Model Summary of STD and Makueni CGP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.372 ^a	.138	.072	.44600

a. Predictors: (Constant), Staff Training and Development

Source: Researcher (2019)

From the table 4.35 above, it can be observed that the coefficient of determination (R^2) is 0.138. This implies that the model has a weak goodness-of-fit regression line. As shown, 13.8% of the staff training and development explains the variability in Makueni county government performance and other factors not considered in this regression explain 86.2% of the variability.

Table 4.36 below shows the ANOVA of staff training and development and Makueni county government performance.

Table 4.36 ANOVA of STD and Makueni CGP

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.414	1	.414	2.082	.173 ^b
	Residual	2.586	13	.199		
	Total	3.000	14			

a. Dependent Variable: Makueni County Government Performance

b. Predictors: (Constant), Staff Training and Development

Source: Researcher (2019)

As indicated in table the table 4.36 above, the F-statistic is 2.082 has a p-value of 0.173 which is greater than 0.05. This means that at 95% confidence interval, the model is not statistically significant and therefore there is no significant influence of staff training and development on Makueni county government performance.

Table 4.37 below indicates the results of the regression model summary for staff development and Makueni county government performance.

Table 4.37 Coefficients of STD and Makueni CGP

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
				Beta		
1	(Constant)	3.187	.575		5.539	.000
	Staff Development	.242	.168	.372	1.443	.173

a. Dependent Variable: Makueni County Government Performance

Source: Researcher (2019)

As indicated in the table above, the regression constant is 3.187 and the coefficient of staff training and development is 0.242 with a probability of 0.000 and 0.173 respectively. The regression constant is statistically significant (p-value<0.05). This confirms that staff training and development has no significant influence on the performance of Makueni county government. The regression model can therefore be summarised in equation 10 shown below.

$$Y = 3.187 + 0.242X_9 + \epsilon_9 \dots \dots \dots (10)$$

CHAPTER FIVE

DISCUSSIONS

5.1 Introduction

This chapter provides the discussion of the research findings as extracted from the data analysis results. Three specific objectives outlined in chapter one guide this study therefore the discussion in this chapter purposes to attain these objectives.

5.2 Summary of Major Findings

The main findings are systematically outlined according to the specific study objectives. The specific objectives were to respectively establish, examine and assess the influence of employee resourcing, employee compensation and staff training and development on organizational performance of devolved governments of South Eastern Kenya region. The region comprises of three counties; Kitui, Machakos and Makueni. Each county government was examined individually for each variable due to the unique nature of the specific counties in terms of manpower resources.

5.2.1 Influence of Employee Resourcing on the Performance of Devolved Governments of South Eastern Kenya Region

On analyzing Kitui County data, it was established that employee resourcing had a statistically significant influence on the county government performance. The results indicated that at 5% significance level, the p-value was 0.004 which was less than the set alpha of 0.05. On the other hand, results from Machakos and Makueni county governments indicated a p-value of 0.077 and 0.114 respectively. The significant values are greater than the set alpha of 0.05 implying that there is no significant influence of employee resourcing on performance of Machakos and Makueni county governments.

The study findings for Kitui county government are consistent with Ekwoaba, Ikeije and Ufoma (2015) who conducted a study to examine the effect of employee resourcing criteria on the performance of organizations in Lagos, Nigeria. The study

established that employee resourcing criteria had a significant effect on organizational performance. Oaya, Ogbu and Remilekun (2017) arrived at similar findings in their study to assess the impact of employee resourcing strategies on the performance of employees. To improve organizational efficiency, organizations are advised to use employment agencies in employee resourcing. Since the devolved governments have an effective strategy of doing employee selection and recruitment, employment agencies will be suitable for other organizations.

The findings established that performance in Kitui County government show (See Appendix IV), majority (29.4) strongly agreed that job openings were as a result of strategic planning. Also, majority (41.2%) agreed that available job vacancies are made open to the public, and recruitment and selection of staff is based on a merit system. Majority of the respondents (64.7%) also agreed that there was a timely job offers after interviews were conducted. From the findings, the staffs recruited are innovative, comfortable with ideas and open to new information.

The results of the study shows that majority of the respondents agreed that the quality of work and employee performance improved in the past four years in Kitui county government. Additionally, over the last four years, the number of projects completed had increased, employee target achievements had increased, and recruitment of professional staff who are focused on service delivery had increased (See Appendix XIII).

Evaluation of data from Machakos county government indicated a p-value of 0.077 ($p > 0.05$) implying that at 95% confidence interval, employee resourcing has no statistically significant influence on the performance of Machakos county. Similar findings were established in Makueni county government where the p-value was 0.114 implying that there is no significant influence of employee resourcing on the performance of Makueni county government.

As indicated in the findings (See Appendices V), majority of the respondents agreed that job openings in the county government of Machakos was as a result of strategic planning. The study established that the respondents strongly agreed that available

vacancies were made available to the public, and that staff recruitment and selection was merit-based. The results also indicate that there was timely offer of jobs after interviews were completed, and that staffs recruited are innovative, comfortable with ideas and open to new information.

The results indicate that majority agreed on all parameters on the performance of Machakos and Makueni county governments (See Appendix XIV & Appendix XV). In both Machakos and Makueni county governments, quality of work and employee output has increased in the last four years. Also, the two counties has witnessed in increase in the number of completed projects, achieved employee targets, and recruitment of professional staff over the past four years. Additionally, the development absorption rate for Kitui, Machakos and Makueni were compared. The results show that Kitui had the highest absorption rate on development as compared to Machakos and Makueni. The personnel emolument absorption rate for SEKER counties indicated a very high absorption rate for all the three counties. Also, in the financial year 2014/2015, Machakos county overabsorbed its allocation on personnel emoluments (See Appendix XVI) .

5.2.2 Influence of Employee Compensation on the Performance of Devolved Governments of South Eastern Kenya Region

The evaluation of the influence of employee compensation in the county government of Kitui indicates an F-test of 8.833 which has a statistical significance of 0.009 ($p < 0.05$) implying that employee compensation has a statistically significant influence on Kitui county government performance. Similar results were established in Makueni county government indicated a p-value of 0.018 ($p < 0.05$) implying that employee compensation has a statistically significant influence on the performance of the county government. However, findings from Machakos county where the p-value was 0.406 ($p > 0.05$) implying that employee compensation has no statistically significant influence on the performance of the county government.

The findings for Machakos county government are inconsistent with the results of a research by Mphil et al. (2014) which evaluated the effect of employee compensation

on employee performance in the banking sector in Pakistan. Mphil et al. established a negative and insignificant effect of rewards on employee performance. Additionally, the study found out that indirect employee compensation had a negative effect on the performance of employees. Larbi (2014) found out that employees were unaware of the full details of their compensation packages. Further, the study established a deficiency in the link between employee compensation system and organizational performance.

The study found out that in all the three counties under examination, the salary offered was commensurate to the established job groups. Also, the county governments had a good medical insurance cover for their employees. Further results indicate that majority of the employees agreed that the county governments had a proper non-financial compensation programmes (See Appendix VII, Appendix VIII & Appendix IX).

5.2.3 Influence of Staff training and Development on the Performance of Devolved Governments of South Eastern Kenya Region

The third objective of the study was to assess the influence of staff development on the performance of devolved governments. The study established a statistically significant relationship between staff training and development and devolved governments' performance in both Kitui and Machakos. Kitui and Machakos had a p-values of 0.000 and 0.006 respectively which were less than the set alpha value of 0.05 at 5% significance level. However, the p-value for Makueni county government was 0.173 ($p > 0.05$) implying that staff training and development has an insignificant influence on the county government performance.

The correlation analysis revealed that staff training and development and performance had a strong but positive correlation which was statistically significant. The study found out that on average, the respondents agreed that the devolved governments of South Eastern Kenya region had a well-developed staff training and development program.

The findings for Kitui and Machakos county governments are consistent with a study by Mansour (2013) who did an empirical study to investigate the effect of training and development on employee performance in developing countries. The investigation established a positive relationship between training and performance. However, Mansour noted that needs assessment is required for employee empowerment. A similar result was established by Khan et al. (2011) in their study to evaluate the effect of training and development on organizational performance. Khan et al. established a positive and significant effect on training and development on organizational performance.

Further results established that for all the three county governments under study, majority of the respondents agreed that trainings needs assessment is conducted before undertaking any form of training in the county governments. Also, the county governments had structured training programs that were effective, and the training offered were effective to enhance skills and abilities. Additionally, the county governments focuses on coaching, regular job evaluation, and mentorship as an important aspect of training. Further, the employees are highly involved in decision-making process in the county governments of Kitui, Machakos and Makueni.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

From the findings of the study, the statistical analysis established mixed results on the influence of the human capital factors considered on the performance of Kitui, Machakos and Makueni county governments. The results established that there is no statistically significant influence of employee resourcing on performance of Machakos and Makueni county governments. However, employee resourcing has a statistically significant influence on the performance of Kitui county government.

For the county government of Kitui, there is need to advocate for the adoption of holistic strategic approach to employee resourcing in order to improve the process of decision-making concerning employee deployment (Raiden & Dainty, 2008). The management of the devolved governments of the South Eastern Kenya region have ensured that recruitment and selection of staff is based on meritocracy.

The evaluation of the influence of employee compensation in the county governments of Kitui and Makueni established a statistically significant influence of employee compensation on county government performance. The implication is that when human capital is adequately compensated, the county governments will have improved performance. Proper non-financial compensation in terms of good working environment and career training, a good medical and life insurance cover, and a commensurate salary will steer a commendable performance in the county governments. However, findings from Machakos county government indicated that employee compensation has a statistically insignificant influence on the performance of the county government.

The study established a statistically significant relationship between staff training and development and devolved governments' performance in both Kitui and Machakos. However for Makueni county government, staff training and development has an insignificant influence on the county government performance. A continuous training and development allow an organization to address human capital weaknesses and help

the employees be all-rounded and possessing better skills for the assigned tasks. On average, the county governments of Kitui, Machakos and Makueni have a well-developed program for staff training and development. The county governments have an effective training programme in place that follows a need assessment exercise.

6.2 Recommendations

The study recommends improvement in how employee resourcing is conducted to address any emerging problems in the devolved governments. The positive and significant association between employee resourcing and performance in Kitui county government serves to benefit policy makers in implementing strategies to ensure that the correct skill is retained. To increase the competitive advantage in the county government, employee resourcing needs to adopt the latest trends in recruitment and selection to ensure that the right people in possession of the right knowledge, skills and attributes are hired for the right task. The current trends include use of softwares to track job applications, development of a mobile recruitment strategy, increase the focus on passive and potential candidates, and a growth in the emphasis for social networks.

It was worth noting that the devolved governments in South Eastern Kenya region have implemented well-developed strategy for staff training and development. However, majority of the respondents indicated that they have never secured a scholarship to develop their careers. It is therefore essential for the county governments to come up with programmes that will offer career advancement to the employees. Career development will have at long-run cost effectiveness because it will empower the county governments to retain top talent, boost productivity and engagement, generate knowledge and strengthen the succession plan of the non-political roles.

The study investigated influence of human capital factors on the performance of devolved governments of the South Eastern Kenya region. The specific human capital factors examined were employee resourcing, employee compensation and staff training and development. However, from the analysis, it was established that these

three factors did not offer an overall answer to performance and that other factors not considered in the study need to be included. Future studies can be done to broadly focus on workforce optimization in specific areas of well-defined processes, qualitative performance of working conditions, accountability, and efficiency of employee performance management system. Other studies could empirically examine knowledge accessibility in terms of collaboration, information sharing and accessibility of job-related information and education for organizations. A broad approach to staff training and development can be embraced to include learning capacity which takes a dimension of innovation, practical training, and organizational learning management systems.

The study only focused on three county governments comprising the South Eastern Kenya region. Future studies can be done to include all the 47 counties in Kenya. This would bring out a more reliable generalization on the effect of human capital factors on the performance of devolved governments in Kenya.

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APPENDICES

Appendix I: Cover Letter

JamesMwinzi Jonah

P.O. BOX 834 – 90200

KITUI

Date.....

TO WHO IT MAY CONCERN

Dear Sir/ Madam,

Re: Request for Research Information

I am student of South Eastern Kenya University (SEKU) pursuing MBA and now doing a research study in Human Capital factors influencing Performance in County Governments of South Eastern Kenya Region of Kitui, Machakos and Makueni.

The purpose of this letter is to kindly request you to take part in this research study by filling in the questionnaire attached. I want to assure you that information given is purely for research purposes and will not be shared with other people. Please answer every question to the best of your knowledge to assist in giving credible research results. Any information given will be treated with utmost confidentiality and protection.

Yours faithfully,

James Mwinzi Jonah

Cell Phone: 0725 509 367

Researcher Student

Appendix II: Research Questionnaire

County Name.....Q. No.....

This questionnaire is administered by Mr. James Mwinzi Jonah, a Student at South Eastern University of Kenya undertaking research on human capital factor influencing performance in county governments of South Eastern Kenya Region, for the partial fulfilment of the requirements for the award of a degree in Master in Business Administration. This questionnaire is purely for academic purposes and your response will be treated with utmost confidence. Kindly respond to all the questions with sincerity and honesty. Your assistance and cooperation in filling the questionnaire will be highly appreciated.

Part A: Demographic Information

Please fill in appropriate answer to the questions below by indicating a tick in the box provided where appropriate.

1. Gender:
Male Female
2. Age:
(a) 20-35 (b) 36-45 (c) 46-55
(d) 56-60 (e) Over 60
3. Position held in County government of Kitui/Machakos/Makueni
County Executive Committee Member
Chief Officer
County Director
Deputy County Director
Assistant Director
Sub County Administrator
4. Period of service at your present job:
a) Less than 1 year
b) 1 to 3 years
c) More than 3 years

5. How long had you worked in your previous job before joining county government?
- a) 1-5 years b) 6-10 years c) 11-15 years
d) 16-20 years e) 21-25 years f) Over 25 years
6. Highest educational level:
- a) Secondary School b) Diploma (c) Graduate
d) Post raduate

Section B: Employee Resourcing

7. How do you recruit your staff: -
- a) Do you use internal merit system to fill vacancies? Yes No
b) Do you use advertisement to fill vacancies? Yes No
c) Do you offer jobs based on experience once vacancy occurs?
Yes No
d) Do you have innovative staff recruitment system?
Yes No

8. Please tick (√) appropriately to indicate the extent to which you agree or disagree with the following statements regarding human capital factors.

1= Strongly Disagree 2= Disagree 3 = Neither Agree nor Disagree
4=Agree 5= Strongly Agree

Employee Resourcing	1	2	3	4	5
a. Job openings in the county government is as a result of strategic Human capital Planning					
b. Available vacancies in the county government are made open to the general public					
c. Recruitment and selection of staff to the county government is based on a merit system.					

d. In the county government, the job offers after a successful interview is timely					
e. The staff recruited are innovative, comfortable with ideas and open to new information					

Section C: Employee Compensation

9. Does the following happen in your county: Tick below

- a) Salaries are paid on time Yes No
- b) County staff have medical insurance cover Yes No
- c) County staff have life insurance cover Yes No
- d) County staff have car and house mortgage scheme Yes No

10. Please tick (√) appropriately to indicate the extent to which you agree or disagree with the following statements regarding human capital compensation.

1= Strongly Disagree 2= Disagree 3 = neither Agree nor Disagree
 4= Agree 5= Strongly Agree

Employees Compensation	1	2	3	4	5
a. The salary offered by the county government is commensurate to my job group					
b. The county government provides a good medical insurance cover to its employees					
c. The county government provides a life insurance cover to its employees					
d. There is proper non-financial compensation in terms of career training and good work environment					

Section D: Staff Training and Development

11. County government has a well-developed program for staff training and development (tick)

- a) Do you attend professional workshops/conference? Yes No
- b) Have you attended training courses outside the county? Yes No
- c) Have you secured scholarship to develop your career? Yes No
- d) Are you involved in training on the job other staff Yes No

12. Please tick (√) appropriately to indicate the extent to which you agree or disagree with the following statements regarding human capital compensation.

L = Strongly Disagree 2 = Disagree 3 = neither Agree nor Disagree
 4 = Agree 5 = Strongly Agree

Staff Training and Development	1	2	3	4	5
a. Training needs analysis is conducted before undertaking any form of training in the county government					
b. The county government has structured training programs that are effective					
c. The training offered by the county government is effective and enhances skills and abilities					
d. The county government focuses on coaching and mentoring as an important program of training					
e. As a county government employee, I go through regular job evaluation.					
f. Employees are highly involved in decision-making.					

Section E: County Government Performance

13. The county government performance has improved tremendously (tick)

- a) Has revenue collection to support county budget increased? Yes No
- b) Has fund absorption levels increased? Yes No
- c) Has time taken to complete Project improved? Yes No
- d) Has service delivery increased customer satisfaction? Yes No

14. Please tick (√) appropriately to indicate the extent to which you agree or disagree with the following statements regarding performance of the county government.

1= Strongly Disagree 2= Disagree 3 = Neither Agree nor Disagree 4= Agree
5= Strongly Agree

Performance Indicators	1	2	3	4	5
a. The work quality and output of the employees in the county government has increased in the past four years					
b. The number of projects supervised and completed has increased over the last four years					
c. In overall, the employee target achievement has increased over the past four years					
d. Recruitment of professional staff focused on service delivery increased in the last four years					

Thank you for your cooperation

Appendix III: Research Schedule

Activity	Oct-Dec, 2018	Jan-April, 2019
Designing the research problem and objectives		
Designing research methodology		
Literature review		
Data collection and analysis		
Report writing and submission		

Appendix IV: Kitui County Government Employee Resourcing

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	F	%	f	%	f	%	f	%	f	%
	a. Job openings in the county government is as a result of strategic Planning	2	11.8	3	17.6	3	17.6	4	23.5	5
b. Available vacancies in the county government are made open to the general public	2	11.8	0	0	3	17.6	7	41.2	5	29.4
c. Recruitment and selection of staff to the county government is based on a merit system.	2	11.8	2	11.8	3	17.6	7	41.2	3	17.6
d. In the county government, the job offers after a successful interview is timely	0	0	0	0	2	11.8	11	64.7	4	23.5
e. The staff recruited are innovative, comfortable with ideas and open to new information	1	5.9	1	5.9	3	17.6	9	52.9	3	17.6

Source: Researcher (2019)

Appendix V: Machakos County Government Employee Resourcing

	Strongly Disagree		Disagree		Neither nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. Job openings in the county government is as a result of strategic Planning	0	0	0	0	3	15	9	45	8
b. Available vacancies in the county government are made open to the general public	0	0	0	0	0	0	9	45	11	55
c. Recruitment and selection of staff to the county government is based on a merit system.	0	0	1	5	5	25	7	35	7	35
d. In the county government, the job offers after a successful interview is timely	0	0	0	0	2	10	13	65	5	25
e. The staff recruited are innovative, comfortable with ideas and open to new information	0	0	2	10	3	15	9	45	6	30

Source: Researcher (2019)

Appendix VI: Makueni County Government Employee Resourcing

	Strongly Disagree		Disagree		Neither Agree nor		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. Job openings in the county government is as a result of Strategic Planning	0	0	2	13.3	7	46.7	5	33.3	1
b. Available vacancies in the county government are made open to the general public	0	0	0	0	1	6.7	8	53.3	6	40
c. Recruitment and selection of staff to the county government is based on a merit system.	0	0	0	0	4	26.7	6	40	5	33.3
d. In the county government, the job offers after a successful interview is timely	0	0	0	0	2	13.3	10	66.7	3	20
e. The staff recruited are innovative, comfortable with ideas and open to new information	0	0	2	13.3	8	53.3	3	20	2	13.3

Source: Researcher (2019)

Appendix VII: Kitui County Government Employee Compensation

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. The salary offered by the county government is commensurate to my job group	1	5.9	0	0	2	11.8	8	47.1	6
b. The county government provides a good medical insurance cover to its employees	0	0	2	11.8	1	5.9	7	41.2	7	41.2
c. The county government provides a life insurance cover to its employees	4	23.5	5	29.4	1	5.9	3	17.6	4	23.5
d. There is proper non-financial compensation in terms of career training and good work environment	2	11.8	2	11.8	1	5.9	9	52.9	3	17.6

Source: Researcher (2019)

Appendix VIII: Machakos County Government Employee Compensation

	Strongly Disagree		Neither Agree nor Disagree				Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. The salary offered by the county government is commensurate to my job group	0	0	0	0	2	10	14	70	4
b. The county government provides a good medical insurance cover to its employees	0	0	0	0	5	25	10	50	5	25
c. The county government provides a life insurance cover to its employees	1	5	5	25	4	20	4	20	6	30
d. There is proper non-financial compensation in terms of career training and good work environment	1	5	2	10	4	20	7	35	6	30

Source: Researcher (2019)

Appendix IX: Makueni County Government Employee Compensation

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. The salary offered by the county government is commensurate to my job group	0	0	1	6.7	3	20	6	40	5
b. The county government provides a good medical insurance cover to its employees	1	6.7	0	0	2	13.3	9	60	3	20
c. The county government provides a life insurance cover to its employees	2	13.3	6	40	0	0	6	40	1	6.7
d. There is proper non-financial compensation in terms of career training and good work environment	3	20	0	0	4	26.7	8	53.3	0	0

Source: Researcher (2019)

Appendix X: Kitui County Government Staff Training and Development

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. Training needs analysis is conducted before undertaking any form of training in the county government	2	11.8	4	23.5	2	11.8	6	35.3	3
b. The county government has structured training programs that are effective	1	5.9	7	41.2	1	5.9	6	35.3	2	11.8
c. The training offered by the county government is effective and enhances skills and abilities	2	11.8	2	11.8	3	17.6	6	35.3	4	23.5
d. The county government focuses on coaching and mentoring as an important program of training	3	17.6	2	11.8	3	17.6	7	41.2	2	11.8
e. As a county government employee, I go through regular job evaluation.	1	5.9	3	17.6	3	17.6	9	52.9	1	5.9
f. Employees are highly involved in decision-making.	3	17.6	5	29.4	1	5.9	8	47.1	0	0

Source: Researcher (2019)

Appendix XI: Machakos County Government Staff Training and Development

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree		
	f	%	f	%	f	%	f	%	f	%	
	a. Training needs analysis is conducted before undertaking any form of training in the county government	0	0	0	0	1	5	11	55	8	40
	b. The county government has structured training programs that are effective	0	0	1	5	1	5	11	55	7	35
c. The training offered by the county government is effective and enhances skills and abilities	0	0	1	5	4	20	7	35	8	40	
d. The county government focuses on coaching and mentoring as an important program of training	0	0	4	20	1	5	8	40	7	35	
e. As a county government employee, I go through regular job evaluation.	0	0	2	10	2	10	10	50	6	30	
f. Employees are highly involved in decision-making.	1	5	3	15	3	15	8	40	5	25	

Source: Researcher (2019)

Appendix XII: Makueni County Government Staff Training and Development

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. Training needs analysis is conducted before undertaking any form of training in the county government	1	6.7	3	20	3	20	6	40	2
b. The county government has structured training programs that are effective	0	0	4	26.7	4	26.7	6	40	1	6.7
c. The training offered by the county government is effective and enhances skills and abilities	0	0	2	13.3	5	33.3	6	40	2	13.3
d. The county government focuses on coaching and mentoring as an important program of training	2	13.3	2	13.3	3	20	7	46.7	1	6.7
e. As a county government employee, I go through regular job evaluation.	0	0	1	6.7	2	13.3	9	60	3	20
f. Employees are highly involved in decision-making.	2	13.3	3	20	6	40	3	20	1	6.7

Source: Researcher (2019)

Appendix XIII: Kitui County Government Performance

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	F	%	F	%	F	%	F	%	F	%
	a. The work quality and output of the employees in the county government has increased in the past four years	2	11.8	3	17.6	2	11.8	6	35.3	4
b. The number of projects supervised and completed has increased over the last four years	3	17.6	3	17.6	4	23.5	5	29.4	2	11.8
c. In overall, the employee target achievement has increased over the past four years	2	11.8	4	23.5	2	11.8	6	35.3	3	17.6
d. Recruitment of professional staff focused on service delivery increased in the last four years	3	17.6	1	5.9	3	17.6	8	47.1	2	11.8
	Yes		No							
	f	%	f	%						
i. Has revenue collection to support county budget increased?	12	70.6	5	29.4						
ii. Has fund absorption levels increased?	13	76.5	4	23.5						
iii. Has time taken to complete Project improved?	9	52.9	8	47.1						
iv. Has service delivery increased customer satisfaction?	9	52.4	8	47.1						

Source: Researcher (2019)

Appendix XIV: Machakos County Government Performance

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. The work quality and output of the employees in the county government has increased in the past four years	0	0	0	0	5	25	11	55	4
b. The number of projects supervised and completed has increased over the last four years	1	5	0	0	0	0	15	75	4	20
c. In overall, the employee target achievement has increased over the past four years	1	5	2	10	4	20	11	55	2	10
d. Recruitment of professional staff focused on service delivery increased in the last four years	1	5	1	5	3	15	9	45	6	30
	Yes		No							
	f	%	f	%						
i. Has revenue collection to support county budget increased?	10	50	10	50						
ii. Has fund absorption levels increased?	9	45	11	55						
iii. Has time taken to complete Project improved?	10	50	10	50						
iv. Has service delivery increased customer satisfaction?	17	85	3	15						

Source: Researcher (2019)

Appendix XV: Makueni County Government Performance

	Strongly Disagree		Disagree		Neither Agree nor Disagree		Agree		Strongly Agree	
	f	%	f	%	f	%	f	%	f	%
	a. The work quality and output of the employees in the county government has increased in the past four years	0	0	1	6.7	2	13.3	8	53.3	4
b. The number of projects supervised and completed has increased over the last four years	0	0	0	0	1	6.7	7	46.7	7	46.7
c. In overall, the employee target achievement has increased over the past four years	0	0	1	6.7	2	13.3	7	46.7	5	33.3
d. Recruitment of professional staff focused on service delivery increased in the last four years	1	6.7	0	0	4	26.7	10	66.7	0	0
	Yes		No							
	f	%	f	%						
i. Has revenue collection to support county budget increased?	11	73.3	4	26.7						
ii. Has fund absorption levels increased?	12	80	3	20						
iii. Has time taken to complete Project improved?	13	86.7	2	13.3						
iv. Has service delivery increased customer satisfaction?	15	100	0	0						

Source: Researcher (2019)

Appendix XVI: Absorption Rate of SEKER

Shillings in Millions	KITUI		
Financial Year	Local Revenue	Development Expenditure	Personnel Emoluments
2014/2015 FY	320.52	2,848.47	2,234.24
2015/2016 FY	416.19	3,771.92	2,555.92
2016/2017 FY	315.35	3,688.65	2,821.77
2017/2018 FY	335.12	3,341.76	3,628.49
Absorption Rate			
2014/2015 FY		58.30%	87.90%
2015/2016 FY		69.60%	87.40%
2016/2017 FY		70.70%	80.40%
2017/2018 FY		73.40%	89.40%

Source: Kitui County Governments Treasury (2019)

Shillings in Millions	MACHAKOS		
Financial Year	Local revenue	Development Expenditure	Personnel Emoluments
2014/2015 FY	1,355	2,033.66	3,372.06
2015/2016 FY	1,221.58	2,539.96	3,832.52
2016/2017 FY	1,259.29	3,343.57	4,129.11
2017/2018 FY	1,063.12	1,021.77	4,839.56
Absorption Rate			
2014/2015 FY		46.74%	102.86%
2015/2016 FY		44.60%	96.20%
2016/2017 FY		99.10%	77.30%
2017/2018 FY		33.30%	90.80%

Source: Machakos County Governments Treasury (2019)

Shillings in Millions	MAKUENI		
Financial Year	Local revenue	Development expenditure	Personnel Emoluments
2014/2015 FY	215.34	1,251.01	1,946.33
2015/2016 FY	213.71	1,504.47	2,184.40
2016/2017 FY	216.26	4,036.53	2,714.55
2017/2018 FY	319.27	1,603.30	3,294.28
Absorption Rate			
2014/2015 FY		37.30%	86.60%
2015/2016 FY		31.70%	85.10%
2016/2017 FY		72%	95%
2017/2018 FY		44.80%	91.7%

Source: Makueni County Governments Treasury (2019)

Appendix XVII: Target Population in SEKER Counties

Kitui County Ministries	CECM	Chief Officer	Director	Deputy Director	Assistant Director	Sub- County Admin
1. Administration & Coordination	1	1	1	1	1	8
2. Finance & economic planning	1	1	1	2	2	-
3. Health & Sanitation	1	1	1	2	2	-
4. Basic Education, ICT & Youth Development	1	1	1	2	2	-
5. Trade, Cooperatives & Investments	1	1	1	1	1	-
6. Lands, Infrastructure & Urban development	1	1	1	2	2	-
7. Tourism, Sports & Culture	1	1	1	1	1	-

8. Agriculture, Water & Livestock	1	1	1	2	2	-
9. Environment & Natural Resources	1	1	1	1	1	-
Total	9	9	9	14	14	8
Machakos County Ministries	CECM	Chief Officer	Director	Deputy Director	Assistant Director	Sub- County Admin
1.Public service, Labour & ICT	1	1	1	1	1	-
2.Trade, Investment, Economic planning, Industrialization & Energy	1	1	1	1	1	-
3. Finance & Revenue Management	1	1	1	1	1	-
4.Decentralized Units, County Administration, Environment & Solid wastes	1	1	1	1	1	8

Management						
5.Agriculture, Livestock, Water & Irrigation Development	1	1	1	2	2	-
6.Health & Emergency Services	1	1	1	1	1	-
7.Transport, Roads, Public Works & Housing	1	1	1	1	1	-
8.Education, Youth & Social Welfare	1	1	1	1	1	-
9.Lands, Energy & Urban Development	1	1	1	1	1	-
10.Tourism, Sports & Culture	1	1	1	1	1	-
Total	10	10	10	11	11	8
Makueni County Ministries	CECM	Chief Officer	Director	Deputy Director	Assistant Director	Sub- County Admin
1. Lands, Physical planning & Mining	1	1	1	1	1	-

2.Trade, Tourism & Cooperatives	1	1	1	1	1	-
3.Youth, Gender, Sports & Social Services	1	1	1	1	1	-
4.Finance & Social Economic Planning	1	1	1	1	1	-
5. Education & ICT	1	1	1	1	1	-
6.Transport & Infrastructure	1	1	1	1	1	-
7.Agriculture, Livestock & Fisheries Development	1	1	1	1	1	-
8.Water, Irrigation & Environment	1	1	1	1	1	-
9.Health	1	1	1	1	1	-
10,Devolution & Public Affairs	1	1	1	1	1	6
Total	10	10	10	10	10	6

Source: Kitui, Machakos and Makueni County Governments (2019)