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PERFORMANCE OF DEVOLVED UNITS IN KENYA***

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BOARDS FUNCTIONS, GOVERNANCE STRUCTURES AND PERFORMANCE OF DEVOLVED UNITS IN KENYA

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Abstract

The purpose of this paper is to provide descriptive information regarding board functions, accountability practices, and governance structures on the performance of devolved units in Kenya. It will provide a link between board functions, accountability practices and governance structures on the performance of devolved units in Kenya. It will also aid top management and policy makers in the public sector to underscore the role of boards, improve accountability practices and connection of governance structures in the public sector performance. The entity in the study is the 47 devolved units in Kenya that provides service to citizens. This study was anchored in the positivism paradigm as well as a descriptive-correlational-cross-sectional research designs. The target population of the study was all 47 Devolved units in Kenya focusing on the six devolved governance structures. This article contains sufficient data to permit calculation of the likely board roles, accountability practices and governance structures on performance of devolved units in Kenya. The study adopted Structural Equation Modeling (SEM) technique and multiple regression models in establishing the relationships. Hypotheses were tested at 5 percent level of significance. From the results, CPSB function and governance structures have significant positive influences on the devolved units in Kenya at 5% level by 0.5505 holding other factors constant. Based on the findings, the study suggests for improvement in the devolved units good governance structures and best board functions, better revenue collection and suitable budget allocation of devolved units in Kenya to enhance accountability, effectiveness, efficiency for service delivery and perfect devolved units' performance in Kenya. The article can be used in any undergraduate or graduate courses to generate more knowledge on boards, accountability practices and governance structures on organizational governance in both profit and not for profit organizations.

Keywords: Accountability Board Function; Budget Allocation, Devolved Units, Governance Structures Accountability, Efficiency, Effectiveness and Performance, Revenue Collection

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INTRODUCTION

Governance structures involves understanding how institutions are directed, organized and how they exercise power in the management of resources for sustainable development (Cadbury, 1992). They also involve a set of associations in an institution; among its management, boards, and stakeholders (Kumar and Singh, 2013). Different governance structures exist across the globe informed by political impulses, law, The Kenya government pursued comprehensive governance reforms by devolving the central government and creating the 47 devolved units called the county governments in 2013 by the new constitution in 2010. Generally, such reforms were pursued with the objective of augmenting the ways in which the county governments are managed and to boost better accountability practices, fairness, discipline, independence, responsibility, transparency and disclosure (Filatotchev and Boyd, 2009; Samaha et al., 2012). This thesis examines the relationship between county public service board functions, accountability practices, governance structures and performance of the devolved units in Kenya

The movement towards devolved units was an effort to advance public service delivery as well as power in a cost-efficient way, raise the capacity of administration and public sector productivity. Since the creation of the devolved units in Kenya; through a casual observation one can be tempted to suggest that there have been various scandals involving the role of county public service boards, accountability practices, governance structures and performance of most devolved units. This has generated interest from the citizen and researcher to seek answers and highlight on the nature and roles of county public service board, accountability practices, the county governance structure in relationship to the performance of devolved units.

Section 59(1) of the County Government Act gives ten functions of the county public service board which can be summed as; control systems of human resources, county governance structures placement, monitoring HR, accountability practices on HR all geared towards value addition to the county performance, cultural issues and generally the way of doing business (Marra and Rizzo, 2010). Governance structure is concerned with how societies, governments and organizations are led; their structure and matters, decisions making and exercise powers, and manages their relationships in organizations (Mang'anyi, 2011).

Generally, governance structures are assumed to embrace how an institution is achieved; it's corporate as well as additional structures; its tradition; its policies and rules, internal and external relations, and modes of making decision and other conduct (Barrett, 2004). Governance structures deal with harmonizing multifaceted interests in the quest of creating value for the advantage of extensive group based on stakeholder interest leading to the final objective of business sustainability (Clarke, 2007). Governance structures revolve around board functions, accountability practices and organizational performance among other issues (Ongore, 2011). Following Lim (2010) the board is highly fundamental governance mechanism in any institution. Board functions may thus influence accountability practices as well as governance structures and consequently institutional growth (Mallin, 2010).

The studies done on the boards and corporate governance represents cases where the board functions alone are not a panacea to all the governance problems afflicting the modern corporation (Ongore, 2011). Studies (Calpers, 2009; Elsayed, 2011) argue that state corporations are political organizations where citizens are considered as

stockholders, however they lack direct claim to governance structures of those state corporations. Other researchers have found out that Political manipulation and poor human resource policies are other factors that have been blamed for the poor governance structures of State Corporations which eventually affect their performance (Ongore & K'Obonyo, 2011; Okiro, 2014). Government ownership is also associated with multiple governance structures which distort their management and running (Mung'anyi, 2011).

In Kenya, the county governments structures comprises seven structures as given by the New constitution of 2010 to include the four elective leaderships of; the office of the Governor; the Senate; County Assembly; Women Representatives and the three appointed leaderships of: the County Executive Committee Members; County Public Service Board and the Audit Committee. All these governance structures in the devolved system of governance provide a framework for county governance.

Globally, there is a growing acknowledgement of the significance of boards for the success of an institution. Many states have developed procedures and suggestions for best governance practices and public boards' stewardship (Cadbury, 1992; OECD, 1999; Preda, 2002; Higgs Report, 2003, Combined Code, 2003). Whether performance of institutions adhering the best practice suggestions with regard to private or public service boards will indeed improve, is a question to be examined empirically in the context of county governments in Kenya. The current constitution of Kenya promulgated in 2010 supports the nine principles and procedures drafted for directors, with the suggested implication that observance to these guidelines by boards will increase performance of an institution (Republic of Kenya, 2010). It's argued that a research should be anchored around a core problem which it seeks to solve. Despite the fact that a research is

not automatically able to solve problems it may add to a better understanding of the issue, and thus add to the exploration for solutions (De Silva, 2010). In this study, the central problem research seeks to solve is the relationships among and between county public service boards; accountability practices, governance structures, and county government performance in Kenya.

Literature provides linkage of the board functions governance structures, and organizational performance (Lausten, 2002; Kumar & Singh, 2013; Awino & Mutua, 2014). Organizational boards have significant influences on performance more than any other factor (Talaja, 2012; Pearce et al., 2012; Kamaara *et al.* (2013). However some studies suggest that institutional performance cannot be explained by a single variable like the boards they possess (Awino, 2011). According to Lausten (2002) boards attract and retain the skills needed to drive performance. Gachunga (2010) posits that governance structures exist to ensure effective employment and application of resources for better institutional performance. This notwithstanding, the studies on corporate governance structures have focused on influence of a single structure such as the public board (Letting *et al.*, 2012; Kamaara *et al.*, 2013) or public board composition (Mangunyi, 2011; Ongore & K'Obonyo, 2011) on organizational performance.

Most studies on institutional board functions and governance structures on the performance of organizations have either been conceptual in nature (Pearce *et al.*, 2012) or purely depended on subjective data (Newbert, 2008). There have been studies on Kenyan state corporations and board roles (Kobia & Mohamed 2006; Gachunga, 2010) that are based on performance of Kenyan state corporations. Ongore and K'Obonyo (2011) found that Kenyan state corporations performed poorly than privately or foreign owned firms because

of poor stewardship, bureaucracy and lack of managerial discretion occasioned by government ownership mostly attributed to human resources; their accountability service. Kamaara *et al.* (2013) established that public board characteristics influenced performance of state corporations in Kenya. The study was not only limited to commercial state corporations' board functions but also it did not focus on the public service board functions, accountability practices and governance structures on performance of devolved units in the decentralized system of governance in Kenya.

Other studies on Kenyan state corporations and board roles and governance including; Gachunga (2010) and Okiro (2014) focused on other variables in their studies. For example Gachunga (2010) examined the effects of performance management systems and perceptions of organizational justice in the Kenyan state corporations. All the above cited studies did not establish the influence of county public service board functions to accountability practices; governance structures; and county governance performance in Kenya. These studies, however, failed to underscore the role of the county public service boards; county accountability practices and county governance structures on performance in the county governments in Kenya. Evidence of existing relationship or lack thereof, is essential for county a government that requires appropriate choices on county public service board functions, accountability practices, governance structures and performance to create and improve county value. This study aims at examining the relationship between county public service board functions and governance structures and performance with respect to devolved units in Kenya as the broad objective while the specific objectives were to:

- i. Establish the influence of county public service board functions on performance of the devolved units in Kenya.

- ii. Determine the influence of governance structures on the devolved unit's performance in Kenya.
- iii. Ascertain the joint influence of county public service board functions and governance structures on the performance of devolved units in Kenya.
- iv. Establish the influence of county public service board functions on budget allocation of the devolved units in Kenya.
- v. Establish the influence of county public service board functions on revenue collection of the devolved units in Kenya.

LITERATURE REVIEW

This study was founded on four theories namely; Institutional theory' the agency theory; managerial signalling theory and the theory of performance. The institutional theory was proposed DiMaggio and Powell (1983). It was anchored ion a sociological perspective to describe firm behavior on governance structures and performance. The major focus of the theory is ion the social and cultural factors that influence firm's decision-making and specifically how meaningful or traditions are adopted by organizations i(DiMaggio & Powell, 1983). these myths may not be taken serious and thus are followed in a rule-like style during decision making by firms. they become the established logic that directs firm behavior i(Meyer i& Rowan, i1977).

This theory with its imbedded logic may be associated with county public service inboard functions and county performance. the CPSB advocate that the county governments strengthen their performance by increasing their transparency, efficiency and effectiveness. the theory was supported by O'Neill and cook i(2009) who asserted that public organizations intend it vote in a board-friendly manner. these additional disclosure requirements reduce the research costs incurred by SRI mutual

funds in monitoring the activities of the investee companies and thereby affecting the portfolio management process.

DiMaggio and Powell (1983) claim that organizations encountering related environmental circumstances embrace same governance structures. becoming aligned it its environment raises the perceived legality of the firm, and so its behavior is less likely it be interrogated and challenged (Lounsbury, i2008). socially responsible public organizations design an efficient logic that uses social, environmental, governance, moral as well as ethical influences in choosing and handling their investments. Based on this theory, CPSBFs could result in better county performance. The rationalized board functions are also linked to process that trigger and accelerate public sector performance.

The Agency theory was advocated by Jensen and Meckling (1976). It can be linked to public service boards as an agency running county governments on behalf of the citizens. According to Jensen and Meckling (1976) the contractual agreement between principals (owners) and agents (managers) to run the organization on behalf of stakeholders. Some other economists including Adam Smith had acknowledged the presence of such possible agency conflicts. This could often entrench in the separation of ownership and management in present corporations. In principle, the theory sought to lower agency conflicts between stakeholders and management through supporting the interests of agents with those of principal(s). On the other hand, it sought to deter the expropriation of stakeholder's wealth. More examples from the corporate governance studies demonstrate how such resources can be confiscated: executive directors could abuse insider information for their own gain (Jensen & Meckling, 1976; Chalevas, 2011); by board of directors granting own but unnecessary pay in the form of salaries and bonuses (Bebchuk & Fried, 2003;

Ntim *et al.*, 2012b); and managers can utilize corporate properties through raised consumption of perks and perquisites, such as delight in bigger offices as well as clerical support (Jensen & Meckling, 1976).

In its entirety, the theory recommends that good governance has to embrace the establishment of effective accountability practices, and governance structures that can trigger performance of an organization which consequently decline agency costs. This move is likely to ease the cost of monitoring as well as bonding, thereby leading to overall improvement in accountability practices and firm performance (Fama & Jensen, 1983; Siddiqui *et al.*, 2013). This is particularly important within the context of the county government due to the existence of high power concentration in county top management team headed by the county governor (Republic of Kenya, 2010). Such high power concentration in county top management team could adversely affect the rights of county stakeholders; thus generating a conflict of interest between county stakeholders and county management stakeholders.

Managerial signaling theory was first proposed by Morris (1987) as an extension of agency theory of Jensen and Meckling (1976) and applied by Buskirk (2012). The theory was designed to describe the asymmetry of information between shareholders and management of the organization (Morris, 1987; Black *et al.*, 2006a). According to the theory, managers and directors have details about the organization compared to outsiders (Bebchuk & Weisbach, 2010). Thus, managers would possibly misuse this information for their personal gain (Jensen & Meckling, 1976). The source of agency conflict is unethical and unprincipled behavior within existing establishments (Conyon & He, 2011).

To manage information asymmetries and firm uncertainties, organizations are required to adopt to suitable accountability

practices (Jensen & Meckling, 1976). This could consequently provide equal prospects to both large as well as small stakeholders in access to information. This may help in reduction in agency problems and the cost of capital (Sharma, 2013). Clear information dissemination draw local and foreign investors while providing higher liquidity (Chung & Zhang, 2011). Lastly, suitable accountability practices enhance corporate control strategies, and in turn aid in creating a highly effective organization (Klein et al., 2005). Furthermore, through public service boards and other county governance structures reforms, Kenya county government regulatory authorities seek to strengthen the county government accountability practices as an internal county governance mechanism by increasing and enhancing county government accountability practices.

The theory of performance, championed by Don Edgar (1974), is premised on the perceived enormous potential of humanity to realize extraordinary accomplishments and goals which they do because, the goals are hard and because that goal will serve to organize and measure the best of our energies and skills. The theory conjectures that improvement in performance can be created through the processes of influencing the performer's mindset by engaging them in an optimal emotional state, immersing the performer in an enriching environment and engaging the performer in reflective practice (Don Edgar, 1974). Don Edgar (1974), explain performance and improvement in performance within the framework of six concepts: comprising the context of performance, level of knowledge, skills, and level of identity, personal factors, and the level of performance upon which the performance of an individual or organization is predicated. Performance therefore produces results that can be classified into the eight following categories: quality increases; cost decreases; capability increases; capacity

increases; knowledge increases; skills increases; identity and motivation increases (Conyon & He, 2011).

Don Edgar (1974), views performance as taking a multifaceted series of activities that incorporate skills as well as knowledge to generate a valued result. It accordingly informs learning through exploring the level of performance of the institution. Performance is a process, not a destination and the extent of growth is the location in the journey (Brannsford *et al.*, 2000). Each level or location indicates the effectiveness or quality of performance. The precepts of the theory of performance are supported in literature by the works of Tomlinson *et al.* (2002), and Brannsford *et al.* (2000). They established a model for operative teaching as well as learning that incorporated knowledge, learner, assessment and components anchored on community. Don Edgar (1974), sums up performance theory by referring to Wiske (1998) that when individuals learn and grow, they become empowered to generate results that leads to a difference.

Literature provides linkage of the governance structures and board functions on Organizational performance. Organizational performance is commonly considered as achievements of programs by an institution in terms of the outputs and outcomes that they produce (Kayhko, 2011). Organization performance is whether organizations resources have been used in the intended way in order to achieve efficiency, effectiveness, and fairness (Hubbard, 2009). It also includes economy in obtaining wealth in suitable proportions and at lowest cost. Thus efficiency is obtained through maximization of output for a particular set of inputs, or minimizing inputs for a desired output (Alexander, 2010).

Organizational performance relates to efficiency, effectiveness, financial viability and relevance of the organization (Hubbard, 2009). Effectiveness is concerned with the

unique capabilities that organizations develop to assure achievement of their missions while efficiency is the cost per unit of output that is much less than the input with no alternative method of the input that can go lower for same output (Machuki & Aosa, 2011). Financial viability is the organization's ability to survive; that is an organization inflow of financial resources must be greater than the outflow (Elsayed, 2011). According to Kaplan and Norton (2008) measurement of performance has evolved over time from traditional financial measures which focused only on the shareholder to stakeholder based approaches to the balanced score card. The organization was perceived as belonging to stakeholders, and thus stakeholders return to investments has been widely applied in measuring overall organization performance (Hubbard, 2009).

Unresolved issues still revolve around how performance should be observed as well as what and how to measure organizational performance (Alexander, 2010). A few organizations as well as industries are yet to develop formulae that would yield to a performance index that carries on board every indicator of performance (France and Caney, 2002; Ongore & K'Obonyo, 2011; Okiro, 2014). What is generally agreeable though is that an organization's performance cannot be explained by a single factor (Elsayed, 2011). The board an organization possesses and governance structures in place lead to superior performance (Kayhko, 2011). How the board functions influence performance could be subject to a number of other factors among them governance structures (De Silva, 2010; Gachunga, 2010 board functions and organizational performance (Lausten, 2002; Kumar & Singh, 2013; Awino & Mutua, 2014). Organizational boards have significant influences on

performance more than any other factor (Talaja, 2012; Pearce et al., 2012; Kamaara *et al.* (2013). However some studies suggest that institutional performance cannot be explained by a single variable like the boards they possess (Awino, 2011). According to Lausten (2002) boards attract and retain the skills needed to drive performance. Gachunga (2010) posits that governance structures exist to ensure effective employment and application of resources for better institutional performance. This notwithstanding, the studies on corporate governance structures have focused on influence of a single structure such as the public board (Letting *et al.*, 2012; Kamaara *et al.*, 2013) or public board composition (Mangunyi, 2011; Ongore & K'Obonyo, 2011) on organizational performance.

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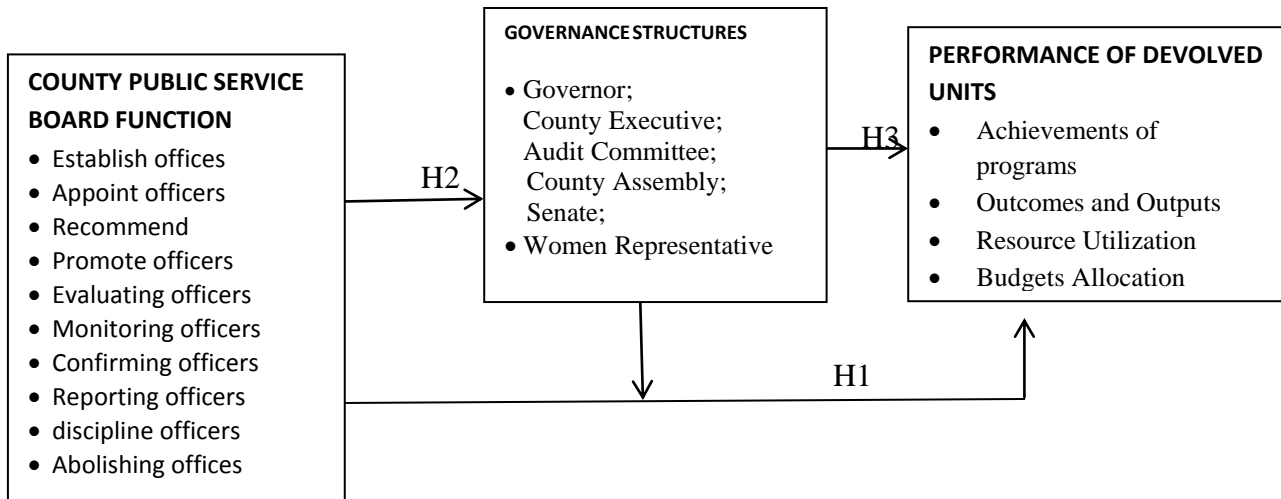
A number of research gaps have emerged from the literature review above. They can be summarized into: conceptual, methodological, theoretical knowledge and contextual research gaps. The contextual gap arises from the fact that county public service board functions, accountability practices and county governance structures concepts have largely been understudied in the public sector in Kenya particularly in the magnitude of the devolved units in Kenya and at a level addressed by this study. The conceptual gaps include lack of consensus on what is really the factors that affect performances of the devolved units in Kenya is it the roles of county public service boards, accountability practices or the governance structures; even when empirical evidence on the impact of boards, accountability and governance on firm performance is inconclusive as disclosed by available discussed literature review. On the knowledge gaps little is

known on what is real hailing the devolved units that need to studied to aid management and policy makes in decision making; conceptual gap disclosed is that most studies on the performance of public sector have not examined the influence of accountability practices and the devolved governance structures in relationship the performance of the devolved units in Kenya. This study introduces county public service board functions, accountability practices, governance structures in an attempt to explain further the relationship to performance of devolved units in Kenya as the public sector. Most of the researches undertaken in the public sector so far either consider only two of the variables under this study (county public service board functions, county governance structures, accountability practices and performance) but not all the variable at a time as in this study. None of the available studies reviewed have considered the effects and relationships of the four variables (county public service board functions, accountability practices, governance structures and performance) or taken together in one research as this research.

On the same background this research have adopted multivariable approach among them board functions, and county governance structures on their influence on organizational performance on the context of devolved units in Kenya. Second, most studies have been conceptualized either as boards influencing performance or corporate governance influencing performance. Studies conceptualizing the relationship between county public service board functions, and county governance structures on county performance in Kenya are rare. Finally, all studies reviewed did not contextualize the variables in the current study within Kenyan county governments. The current study shall therefore offer great insights to the relationship of the concepts as well as the context to the four variables using the devolved units in Kenya The section that follows depicts the conceptual relationship

among the variables for the purpose of this research.

CONCEPTUAL MODEL



The conceptual relationship County public service Board functions Governance Structures influence on performance of Devolved units in Kenya. Punch (2005) suggests that a good study hypothesis enables a research to stay on track. This guidance is handy considering that research can be complex. For the purposes of this study four research hypotheses were generated from the above conceptual frame work.

- H₁:** County public service Board functions have no significant influence on performance of devolved units in Kenya.
- H₂:** County public service Board functions have no significant influence on governance structures of devolved units in Kenya.
- H₃:** Governance Structures have no significant influence on performance of devolved units in Kenya.
- H₄:** Governance Structures have no significant influence on the

relationship between County Public Service Board Functions and performance of devolved units in Kenya.

METHODOLOGY

The study used a descriptive correlational cross sectional census survey design. The target population of the study was all 47 Devolved units in Kenya and the unit of analysis was the six devolved units governance structures (the office of the governor, office of the senate, office of the woman representative, audit committee, county executive and county assembly). One respondent from the unit were targeted to respond to the questionnaire (6*47=282) respondents). Primary data was collected through a questionnaire and secondary data on revenue collection and budget allocation obtained from the Controller of Budget of Kenya.

RESULTS

Table 1 Scale Reliability Coefficients

Alpha	No	of
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Constructs	value (%)	Items	Comments
County Public Service Board Functions	71.86	10	Reliable
County Government Structures	75.50	6	Reliable
County Government Performance	81.32	6	Reliable

From the results in Table all the variables were reliable since their Cronbach Alpha value were greater than 70 percent in which the county performance had the highest Cronbach Alpha value of 0.8132

and county public service board functions had the lowest Cronbach Alpha value of 0.7186. As per Bovens (2005), if all the variables are reliable then the research instrument is reliable and therefore no amendments required.

Table 2: Test of Sampling Adequacy and Bartlett's Test of Sphericity

Factors		Bartlett's Test of Sphericity				
		KMO Test	Approx. Chi-Square	df	Sig.	Determinant
County Public Service Board Functions	Public Board	0.552	115.389	45	0.000	0.010
County Government Structures	Government	0.507	78.697	15	0.000	0.049
County Performance	Performance	0.693	91.853	15	0.000	0.030

The findings in table 2, indicate that the scales had values above 0.5 as determined by Williams, *et al.*, (2012) as the threshold beyond which the constructs could be termed as adequately sampled and thus valid. From the findings, County Public Service Board Functions (0.552), County Government Structures (0.507), and County Governments Performance (0.693). According to Williams, *et al.*, (2012) 0.50 is satisfactory degree in KMO for sampling adequacy with figures/values of 0.5 and above being better. Further,

validity was tested through analyzing whether samples were drawn from populations with equal variances. Bartlett's Test of Sphericity provided p-values less than 0.05 hence showing a degree of sampling adequacy that was acceptable. All constructs had significant p values that were less than 0.05 level.

Table 3 Correlation Analysis of Structural Factors

Variables	CPSB Functions	Governance Structures	County Performance
CPSB_ Functions	1.000		
Governance Structures	0.214	1.000	

County Performance	0.378	0.498	1.000
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Correlations analysis established the relationships among and between the study variables of CPSBF functions; county governance structures (CGS) and county performance (CP) through the path diagrams as indicated. Figure 3. shows positive as well as significant correlations among the variables of the study. The highest being that of CGS and CP (0.498); followed by those of CPSBF and CP (0.378) and CPSBF and CGS (0.214). This discloses that the county government performance has various factors that have positive influence.

Table 4. County Governance Structures and CPSB Functions on the performance of Devolved units in Kenya County

County Governments' Performance	Coefficients	Std. Error	Z	p>z	Confidence Interval	
County Governance Structures (B)	0.9500	0.0753	12.61	0.000	0.8024 1.0976	
CPSB Functions (C)	-0.0595	0.0954	-0.62	0.533	-0.2465 0.1276	
County Governance Structures						
CPSB Functions (A)	0.6427	0.0614	10.47	0.000	0.5224 0.7630	
Moderating Effect	Computation of Indirect Effect= $A*B=0.6427*0.9500=0.6106$ Computation of Total Effect= $(A*B)+C=0.6106-0.0595=0.5511$					
LR test of model vs. saturated:	$\chi^2(206) = 844.65, Prob > \chi^2 = 0.0000$					
Coefficient of determination (R Squared)=	0.878					

Source: Author (2018)

The total effect of CPSBF and the governance structures on performance is 0.5511. The study concluded that the CPSBF and the county government structures have a significant effect on evolved units' performance in Kenya. Performance of the public sector (Ongeti, 2014; Awino, 2014). Other studies that confirm this study include Rashid, Islam and Anderson

(2008), Alexander (2010), Ongeti (2014), Awino (2014) who established that corporate governance systems has a positive relationship with the performance of an organization. Nelson (2003) suggests that financial sustainability is thus a consequence of both transparency and accountability which is a need to performance over time.

Table 5. Correlation Analysis (Quantitative) on Budget Absorption and Revenue Collection

Correlations	Budget Absorption rates	Revenue growth	CPSBF	CGS
Budget Absorption rates	1.0000			
Revenue growth	-0.1918	1.0000		
CPSBF	0.0699	-0.1245	1.0000	
CGS	0.1153	-0.1348	0.7131	1.0000

From the correlation analysis for quantitative data; Budget absorption rates had a negative correlation with revenue growth (-0.19180) whereas Revenue growth had negative correlations with CPSBFs (-0.1245); revenue growth revenue and CPSBF is $r=-0.1245$, and revenue growth revenue and county governance structures $r=-0.1348$ respectively.

CONCLUSION

The study drew several conclusions as follows;

- County public service board functions positively and significantly influenced the performance of Devolved units in Kenya
- The county governance structures had significant positive effect on the relationship between county public service board functions and county government performance in Kenya.
- County public service board functions and governance structures significantly and jointly influenced county government performance in Kenya.
- Budget absorption rates in the devolved units in Kenya have effect on revenue growth in the
- Revenue growth in the devolved units in Kenya have no effect on CPSBFs,
- Budget absorption rates in the devolved units in Kenya have significant effect on CPSBFs
- The study concludes that the county governments governance structures board have a significant positive influence on devolved units in terms of human resource management and accountability for better performance.

The performance of devolved units in Kenya can barely be explained by one or two variable but a combination of many variables in consultations with the county

board functions, governance structures, revenues and budget of the devolved.

IMPLICATIONS OF THE STUDY

Policy and Management

- County Management should be cultivated to understand the best board functions in the public sector
- Managers of the county governments to be informed of accountability practices that affect the performance of the public sector
- Managers of the county governments in Kenya should be informed of the effect of governance structures on the relationship between CPSB functions and county performance
- Managers of the county governments in Kenya should be informed the joint influence of accountability practices and governance structures on the relationship between CPSB functions and performance
- To develop a model of best practices for governance for the devolved county governments in Kenya that may be suitable for county governments in Kenya

Theory and Practice

- Future study is to examine the impact and relationships of other theories apart from agency, legitimacy, managerial signaling, institutional and performance theories, their roles and effects in the relationships of governance and then associate the result with those of this study.
- The future study to consider at other theories effectively and objectively.
- Future research ought to complement by further emphasizing the role of context, adopting a more behavioral approach to study board functions, accountability practices, and

governance structures-performance relationship governance.

- There are no easy or obvious answers for understanding nonprofit performance (or governance). Thus, there is need of seeking ways to describe and analyze governance as an evolutionary process.

Research Methodology

- This study used mainly cross sectional design, other studies could use other research designs and methodology such as longitudinal research design to track their influences and relationships in corporate organizational governance and organizational performances changes.
- The study design and criterion of sampling employed may limit generalizability of the findings achieved as well as the external validity of the study.
- Further studies could possibly target to realize a better sample of institutions or participants in order to allow for the ability of generalizing any results obtained to a larger population.

Application to Context Analysis

- This study used county governments' county public service boards as its context.
- Further studies could concentrate on individual county government's county public service board functions in relationship to accountability practices; county governance structures and county performance.
- Further studies could also be done on other institutions such as private sector to determine the relations and extent to board functions accountability governance and performance

Contributions to knowledge

- Management of the devolved

county government should be educated to understand the major roles of the county government public service boards in order to enhance or promote their performance;

- That the accountability practices in counties significantly intervene in the relationship between the board functions and performance of the county governments;
- That the governance structures of the county governments significantly moderates the relationship between the board functions and performance of the county governments;
- That CPSBFs, accountability practices and the governance structures jointly influences performance of the county governments.
- To those in the management and policy makers in the public sector (like the devolved units) require proper board's functions that assist the governance and performance. These boards play different roles that are vital to policy and management
- Management and policy makers of the devolved units in Kenya should be keen of the roles and effect of governance structures on the board's functions and organizational performance particularly the public sector as focused by this article
- Managers of the devolved units in Kenya should be informed the joint influence of accountability practices and governance structures on the relationship between CPSB functions and performance
- To policy makers public sector (devolved units) to develop a model

of best practices for public sector boards and best governance structures to ensure best performance for the devolved units in Kenya

- To scholar and researchers this article used mainly descriptive-correlational- cross sectional design, other studies could use/focus on other research designs and methodology such as longitudinal research design to track on bring out clearly on what really influences performances in the public and their influences and relationships in corporate governance and performances.
- The study design and criterion of sampling employed may limit generalizability of the findings achieved as well as the external validity of the study. Further studies could possibly target to realize a better sample of institutions or participants in order to allow for the ability of generalizing any results obtained to a larger population.
- This article is based on the devolved units as its context, future articles should consider other public sectors for the same study or could concentrate on individual devolved units
- Further studies could also be done on other institutions such as private sector to determine the relations and extent to board functions and governance structures relates to performance units.

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