

# **INFLUENCE OF DEVOLVED GOVERNANCE ON PERFORMANCE OF HEALTH SECTOR IN MAKUENI COUNTY GOVERNMENT, KENYA**

## **Judith Mumbua Makena**

Masters student, Faculty of business, computer science and communication studies,  
St.Pauls University, P.O.Box Private Bag 00217 Limuru, Kenya  
[ireneloko@yahoo.com](mailto:ireneloko@yahoo.com)

## **Hellen Mugambi**

Lecturer, Faculty of business, computer science and communication studies,  
St.Pauls University, P.O.Box Private Bag 00217 Limuru, Kenya  
[hmugambi@spu.ac.ke](mailto:hmugambi@spu.ac.ke)

## **Kepha Ombui**

Lecturer, Faculty of business, computer science and communication studies,  
St.Pauls University, P.O.Box Private Bag 00217 Limuru, Kenya  
[kephaombui@gmail.com](mailto:kephaombui@gmail.com)

## **Adam Shisia**

Lecturer, School of Business and Economics,  
Machakos University, P.O. 136-90100, Machakos, Kenya  
[adamshisia@gmail.com](mailto:adamshisia@gmail.com)

### **Abstract**

*The purpose of this research study was to establish the influencing factors on devolved government on performance of health sector in Makueni county government. Specifically the study aimed at establishing how financial resources, leadership, human resource and organizational policy influence employee performance of health sector in Makueni County. To achieve the above objectives, the study adopted descriptive research design. The target population of the study was 250 health workers. Sample size was 100 which were achieved through stratified random sampling. Quantitative data was collected by use of questionnaires*

*from the respondents. Data was analyzed using both descriptive and inferential statistics with the help of SPSS to compute the data. The study found out that performance of Health sector are due to changes in financial resources, leadership, human resource management and organizational policy where it was noted that there was strong positive relationship between the variables. The study concluded that human resource management plays a crucial role in performance in health sector of Makueni County.*

*Keywords: Devolved Governance, Performance of Health Sector, Financial Resources, Leadership, Human Resource, Organizational Policy, Kenya*

## **INTRODUCTION**

Devolution is a form of decentralization which involves independent lower level units that are legally established as distinct governance entities. Devolution can be defined as the shift of authority, responsibility and resources from the national government to lower government that involves giving up some functions or creating new units that are not within the direct control of the national government (Rodriguez, 2002). The devolution process requires some degree of cooperation between the national government and the county governments (Gathu, 2014).

Devolution is a critical element as it enhances promotion of national values and principles which results in the improved delivery of public services closer to the people and ensuring accountability at the sub-national/local levels (Fleiner, 2006; White, 2011). Apart from enhancing equity, devolution tends to encourage innovation at the county level against the backdrop of intergovernmental competition and it can minimize big corruption associated with centralized systems (Fleiner, 2006; White, 2011).

There are challenges associated with devolution. Devolution can bring in some inequality in economic development given the distinct nature of devolved units with different resource capabilities (Fleiner, 2006; Nhede, 2013). Capacity gaps have been linked to devolution with a number of devolved units not having the expected skills, competence and expertise to discharge their functions (Fleiner, 2006; White, 2011). An increased cost of administration is another challenge resulting from increased number of administrative units but reduced in sizes (Rodriguez-Pose, 2002; White, 2011). Central governments are faced with the challenge of coordinating and facilitating devolved structures in addition to ensuring linkages and implementation of policies originating from the central government.

In Uganda, the form of decentralization is found to be the democratic reforms that the people needed the most, where the transfer of political power, financial, administrative and

planning of authority has now been recalled from the central government. The local and the government councils have been given authority to promote the participation of the popular people and empower local people with knowledge to make their own informed decisions which will enhance responsibility and accountability.

Decentralization of health system structure and management has been a continuous process which is a key issue for many counties in the achievement of health for all and development of primary health care. The devolution of the health sector has been a strategic area which deals with all matters relating to the operationalization of the constitutional provision to have the county government operate and take major management role as provided for in Chapter Eleven of the Constitution (Barker, Mulaki, Mwai, & Dutta, 2014). Devolved governance acts as the restructuring or re-organization form of authority that shows there is a system of co-responsibility and accountability between institutions of central government, regional and local levels according to the principle of subsidiarity.

This devolution involves formulation of new policies, legislation and administrative procedures, where reviewing the existing policies will require the devolved system of county government to implement, (Noorein, Asbjorn& Wells, 2010). The key area of the county government is to monitor the status and progress made in the development of administrative procedures, legislation and policies which are paramount in the implementation of devolved governance. The Fifth Schedule to the Constitution gives a list of legislation required to implement devolution in the county level and the time frames within which the legislation must be worked on and passed.

Centralization has been a core aspect in the Kenyan governance since independence in 1963. Where power concentrated in the capital rather than been decentralized to the locals. Kenya has been marked by spatial inequalities during this period of time as a result of devolution. This backdrop on healthcare devolution is taking place for all county government, (MOH, 2013).

The discussion about devolving powers to the regional level is a big debate in Kenya today, as it is believed that county governments are more transparent than national governments. This is due to the proximity of county governments to their communities (English et al., 2011). The devolved government aims at creating more participatory community involvement in order to promote quality service delivery models to the communities' specific needs. This change of power has given; the county government authority to involve communities.

## Health Sector of Makueni County

The health sector in Makueni County is made up of the employees, institutions and resources that are arraigned together in accordance with established policies of the County Government. The primary purpose is to restore, promote and maintain quality health care of its people. The health sectors includes hospitals, government ministries and department and other health services, health insurance schemes, private and voluntary organizations that deal with health services as well as pharmaceutical industry and drug wholesale companies, (Nzinga, Lairumbi& Mike, 2013).

In most of the developing countries, health care sectors that include private not-for-profit health care providers, contribute and constitute an important part of the health sector where it is believed they sometimes own up to more than half of a country's hospitals industry. The health sector has been undergoing tremendous transformational changes globally and nationally, where its reform is a major process that seeks changes in national health policies, programmes and practices. This is by giving in health sector changes in priorities like laws, regulations, organizational structure and financing arrangements, such as user fees so that all the citizens are catered for when it comes to health care service delivery. The central goal is mostly to improve access, equity, quality, efficiency and/or sustainability in the health sector country wide, (WB & CMI, 2012).

The Health sector function has been devolved in the county government and has the overall mandate of providing equitable and affordable health care services to Kenyans/communities at the highest affordable standards. The management of the health sector is comprised of Ministries of Medical Services, Public Health and Sanitation, Research and Development sub-Sectors, namely Kenya Medical Research Institute (KEMRI). The millennium goals and Kenya's Vision 2030 of Health Sector is to "*provide equitable and affordable health care at the highest affordable standards to her citizens*", (Atieno, Nancy & Spitzer, 2014). It is believed that quality and good health care is a prerequisite for enhanced economic growth, poverty reduction and a precursor to realization of the Vision's social goals. The Bill of Rights under the constitution states that access to healthcare is a rightful to every Kenyan. It is from this background that the Health Sector is strategizing its mandate to reposition itself to fulfill the expectations of Kenyans through various strategic interventions in providing improved health systems such as quality and timely service delivery at the County government, (MOH, 2013).

After the general election in 2013, each county government has been tasked to establish a pillar to its mandate for its health care sector, which will embark in providing quality services to its communities (Barker, 2014). The new Constitution of Kenya, 2010 article 185, 186 and 187

fourth schedules shows the distribution of functions between the National and the County governments that they are expected to fulfill. It is believed that the national government is mandated to handle to great extend the referral health facilities and health polices, while at the county government will deal with county health policies, facilities, pharmacies, ambulance services, promotion to primary healthcare as well as licensing and control of small and major business that deal with selling of food stuff to the public. Legal notice no. 137 of 2013 indicates all the health services transferred to the counties after the Counties made formal application (Mwatsuma, Mwamuye & Nyamu, 2014). Makueni county government department of health is headed by a minister, a chief officer and 4 directors. It has a number of 156 public health facilities which has doctors, clinical officers, nurses, public health officers, lab technologists and subordinates totaling to a number of 890 employees.

Some of the performance measurement considerable to be potential in health service management is enabling national priorities in health reform to be translated into organizational and individual objectives, so as to provide focus on results from service delivery, and to enhance accountability (Baines, 2012). Devolution has been proposed under a framework that will provide adequate and accurate information to form decisions and enables decision-makers, managers, and staff to be held accountable. For effective and efficient devolution implementation in health, performance measurement systems will be required so as to enable health boards and providers to demonstrate they are fulfilling devolved functions and for the department to monitor the performance of the system against agreed goals and objectives, (Omondi,et al., 2012).

## **PURPOSE OF THE STUDY**

The general objective was to establish the influence of devolved governance on the performance of health sector in Makueni County Government.

## **THEORETICAL REVIEW**

The theoretical framework has been drawn from the following theories; Adam's Equity Theory, Maslow Hierarchy of Need Theory and Transformational Leadership Style and Behavior Theory

### **Adam's Equity Theory**

This theory was developed by Adam's (1963), and later reviewed by Gupta(2011) which is premised on the fact that employees will always fell they want to be treated fairly and equally at work place. This gives the assumption that employees do not work in a vacuum but where the employees will weigh what they put in to the job situation (input) and what they get out of it

(outcome), thus they compare the ratio of input and outcome to analyze its relevance to which they are in the organization. If the ratios are equal a state of equality exists thus the employees feel their situation is fair and there is justices in the workplace, but if the ratios are unequal, it is presumed that inequality exists in the organization. This theory shows that employees' level of commitment depends on perceptions of how they are perceived on tasks related in the institution as compared with others.

According to this theory, employee performance level relates to his or her perception of equality, fairness and justices that is practiced in the County Governments. Thus the County Government should use a proper reward management as a way of retaining the best of their talents and hence enhance their performance. Likewise, promotion and advancement in County Government should be related to the attainment of the set objectives. This encourages the employees to work harder towards the objectives thus leading to better performance in the organization (Adams & Freedman, 2009). The theory is used in the study to give an understanding of how financial and human resources in the County government will influence employees performance in their task allocated as they is need for fair allocation of these resources and even fair treatment of all resources required so that it will give a comparison to what the employee will earn in return in order to realize a balance state of the input-outcome ratio (Decenzo, 2012, Gupta, 2011).

### **Maslow Hierarchy of Need Theory**

Maslow's hierarchy of needs was popularized by Abraham Maslow (1943). This is a theory of human motivation. The theory remains relevant in every sector and expresses the need to fulfill the lower needs first before fulfilling the upper needs. This shows that for employees physiological and safety needs are very important in their work life as they are compared with institutions culture which sets the bases of the institution so that the employees can feel they are in the right place. An institution must undergo the lower order stage for it to gain strength for the other higher needs so that it does not collapse rather be very firm. In the other levels of Maslow's hierarchy, it will correspond to the formation of the institutions roles within the organization, the policies and procedures which need to be formulated in accordance to human resource management for the institutions culture to be set. This will lead to a positive and interactive institutional culture resulting to high self-esteem and self-actualization for the institution and the entire workforce.

This theory is later reviewed by Finnegan and Talyor (2014), where they suggested that institution leadership can lead employees to become self-actualized as they perform their duties in the institution. This idea shows that the dual role of the theory is first happens to the

organizations as a basis of forming its foundation to avoid future failures that may arise and second to employees on the basis that both the organization and the employees must decide on the performance indicators required of their organization. The employees will always put in their best in delivering services from the tasks given of the organization; the human resource practices and culture which should ensure that the employees level of needs are well reflected in the value of the organization.

Thus employee performance is manifested through the reliability and competence they apply in their daily work activities for the organization to the face of the competitors, where the employees excelled in the accomplishment of the organizational objectives, mission and vision of the organization and achieving self-actualization. Thus, Maslow theory was used in the study to shed some light on importance of setting the right policies and procedures in the County Government that will govern all the implementation and the welfare of all employees and how they influence performance in devolved governance of health sector in Makueni county government.

### **Transformational Leadership Style and Behavior Theory**

The transformational leadership style and behavior theory acknowledges the significance of leadership style and behavior which enable leaders to lead the organization to achieve intended objectives drawing its parallel trends with previous capacity of the leader. James McGregor (1960) in his book on leadership suggested that, transformational leadership is a leadership of mutual stimulation and elevation where followers can convert into leaders and into moral agents. He went further and suggests that it occurs when one or more persons engage with one another in such a way that leaders and followers rise into higher level of motivation and morality. Secondly Burn (1960) provides the humanistic psychology of his writing on transformational leadership by proposing that the transformational leader elevate and alters the motives, shapes, shows value and goals of followers in achieving significant change in the process of implementing service to the community. He also proposed that there are special powers entitled in transformational leader; he sees that the power of transformational leadership as more noble and practical in the leadership of the organization where it is very much different from charismatic leadership which he terms as heroic and executive leadership.

The theory was later reviewed by Bass and Avoil (2014) in transformational leadership as a process in which a leader takes action to increase his/her followers awareness of what is right and important to raise employees/followers motivational maturity and move their employees to go beyond their own self-interest for the good of the organization. The transformational leader will provide employees with atmosphere to go beyond a simple

exchange of rewards for efforts provided during the implementation of the. Transformational leaders are proactive in many different and unique ways, as they attempt to optimize development of the organization and not just performance by the employees. They convince their followers/employees to strive for a higher level of achievement as well as higher levels of moral and ethical standards.

Hooper and Potter (2012), points out that, transformational leadership is to identify seven key competences that are very necessary to a transformational leader of every organization. They include, setting direction, setting an example in effective and efficient communication, alignment of organizational activities, bringing out the best in the people, the leader as a change agent and providing decision in a crisis and on the ambiguous.

Behavioral theory of leadership also attempts to fight effect of leader behavior that is to accomplish tasks of employees and supervises them considerably referring to qualities such as friendship, respect trust and concern for employees welfare, (Cole, 2012). Leadership process is a function of leadership motivation traits and situational and effectiveness increases when they are matched. There is no leadership style that fits all situations. It depended on interaction of interpersonal traits of the leader, subordinate characteristics and situational factors. (Cole, 2012). Thus, transformational leadership style and behavior theory was used in the study to show the importance of transformational leadership style and behavior theory and how they influence employee performance in devolved governance in health sector in Makueni county government.

## **EMPIRICAL LITERATURE**

Financial resources in every organization are a measure in maintaining a favorable financial balance in the organization, while leadership style refers to the preferred way in which tasks and personnel issues the leader sets in delivering the goals for a group or team. Human resources and its management have been recently viewed to be a vital tool in the attaining sustainable competitive advantage for the organization. The significance of HRM is greatly emphasized in the face of globalization where by the traditional employment practices are changing due to increased technology. Organizational policy is a guideline on how things will be done to achieve the desired goals.

### **Employee Performance**

Organizational performance acts as a sign of an organization in its capacity to effectively achieve independent goals and objectives (Conway, 2011). In order for an organization to prove employee performance, there are several elements which helps employees to perform well but



not limited to job stress motivation and effective communication. Job stress arises when an employee cannot properly coordinate available resources and job demands with personal abilities (French, 2015). He asserts that job stress is derived in a situation of job environment that poses as a thrust to an individual in an organization. Moreover job stress universally has been a social problem which has a combination of factors that has negative effective and disruption if not well addressed to employees physically and psychologically thus affecting their health as a whole leading to poor performance (Lu, 2012).

According to DeCenzo and Robbin (2011) motivation is the willingness or desire to do something that is brought about by the activity or ability to satisfy some needs. Employee motivation has been a well-practiced initiative which has a positive impact in their performance and efficient results for every organization. In this regard well motivated employees are self-satisfied, self fulfilled and committed in their tasks allocated thus there is better quality of work and oblige to the organization. It is evident that motivation of employees increase job involvement by making work more meaningful and interesting as well as keeping employees more productive and improves their performance (Kamery 2014, Ikerman 2011).

It is evident that every organization has to set standards and formulate indicators that manage the performance rate of employees on a regular basis. Even though there are reviews annually, it is becoming more of a continuous process day by day. Certain factors like, quantity and quality, time and cost efficiency, absences and tardiness and guideline adherence should be considered when measuring employee performance (Komaki, 2012).

Measuring of output by employees is often a good indicator of performance for the organization where else it is also crucial to look at the quality of the work that is being produced by each employee. If an employee works speedily and makes great gains but the work need to be redone or is rejected, it becomes costly for the organization. This will depend greatly on the type of industry, but productivity is what all employers look for in well rated and motivated employees. A good mix of quality and quantity is essential when measuring performance of employees (Hakala, 2011).

Time and cost efficiency is believed to be the amount of time spent on a project activity done by each employee that has a direct effect on cost efficiency for the organization. If it takes an employee a long period to produce a small amount of output, the employer is essentially losing out on the productivity desired. Employees should work effectively and efficiently, making sure that all materials are put to proper use where very little product is rejected and thrown out. Cost efficiency is very important to employers; organizations do not want to lose money on employees who are slow and mindless about time and product waste (Schein, 2013).

Absences and tardiness by employees implies that, it is very important to strictly follow the timeline, schedules and shifts set for every activity by the employer. When one employee is absent or tardy, the entire organization takes a hit as other members have to adjust their schedules and shifts causing missed opportunities due to absences and lateness. Work performance for the organization will automatically slow down due to the absenteeism or lateness of the employee (Schein, 2013).

In guideline adherence, this shows that if employers can have schedules where employees makes a balance between family matters, workplace creativity and a strict adherence to guidelines. It will give the employees the enthusiasm to follow all rules and regulations, as well as emphasis on creative methods of job performance. Creativity by employees goes a long way in improving job performance as well as maintaining good relationship among the employees at the workplace and ensuring all bound boundaries are secure. If an organization can employ new strategies, ideas, and designs it can help put an organization a step up and can look very good during review time (Schein, 2013).

### **Financial Resources and Performance**

Financial resources in every organization are, as Eadie (2012) suggests, a measure in maintaining a favorable financial balance in the organization. This provides a systematic process for gathering information about the big picture the organization wants to create and using it to establish a long-term direction that will then translate the resources required into specific goals, objectives, and actions. It blends futuristic thinking, objective analysis, and subjective evaluation of goals and priorities to chart a future course of action that will ensure the organization's vitality and effectiveness in the long run.

Most often health sector management may fail to connect their financial resources efforts to other critical decision-making processes in the day to day management activities. Mintzberg (2014) is one of the most vocal critics of strategic planning and resources mobilization precisely because organizations' planning for its resource on activities are too often completely divorced from performance measurement and financial resource allocation.

Financial resources in most cases are concerned with deciding in advance strategies on what an organization will do in the future (planning), at the same time providing guidelines and determining who will do it and how it will be done (resource management), monitoring, enhancing ongoing activities and operations (control and evaluation). In a seminal piece published by Vinzant and Vinzant (2016) identified performance measures derived directly from financial goals and objectives, and links between financial plans and budgets, as critical elements of the strategic management process. More recently, Poister and Streib (2009) added

financial planning providing direction and control over the work of managers and employees to ensure their efforts focused on achieving strategic goals and objectives.

Financial resources helps in planning to put measures on how to deal with emergencies that may be anticipated and provide the necessary information when need arises. The idea helps an organization and its management to identify solutions without trial-and-error learning and ensuring that there is proper management of resource supply and demand; identify when to focus effort and attention in different areas, facilitating the identification of appropriate sequences; helps to make people's expectations for the timing of activities more concrete (Willoughby & Julia, 2011). The financial resources plan helps the organization in turning broad goals into action steps and creates timetables for how long tasks should take, to transfer founder's vision to those acting on it, to avoid side-tracking of efforts and helps to correct deviation from objectives (Kenneth, 2010).

Fiscal measures from financial resources have enabled the county government to aggregate its expenditures and taxation to influence and shape incomes, production and employment in desired directions (Rahaman, 2010). The financial resources indeed has far reaching economic and development implications for the count government which can be used as a tool for volume of production, economic planning, taxation levels, regulating aggregate expenditure and income levels, and consequently savings and investment levels and employment. In most cases the County Governments often use the well-coordinated revenue, expenditure and debt programs to influence not only the national economy but also to stimulate development of the county government (Rubin, 2012).

According to Dyer and Reeve (2011) health sectors indicators of measurements will include productivity, quality and service delivery. Huselid et al. (2011) defines employee productivity as the net sales (revenue) per employee. This definition is consistent with prior empirical work and tends to reflect employees' efforts (Delery & Doty, 2011; Huselid et al., 2011). However Huselid et al. (2011) considers the productivity indicator as an incomplete measure of organizational overall profitability and therefore need to be considered with other financial indicator measurements. Instead of productivity indicators, Delany and Huselid (2011) chose perceptual measures of the organizations' performance in their study. They select perceived organizational performance such as product quality, customer satisfaction and new product development. Although perceptual data introduces limitations through increase of measurement in error and the potential for mono-method bias, it is not unprecedented to use such measures (Delany & Huselid, 2012).

## Leadership and Performance

According to Cole (2012) leadership style refers to the preferred way in which a leader shows and takes into consideration the tasks and personnel issues in delivering the goals for a group or team. The main choice groups are between task and personnel use of power (e.g. autocracy) and varying degrees of delegated power (e.g. democracy). Two of the earliest leadership styles include cooperative Gregor (2010) and Likert (2013) in marketing. Other early studies of leadership styles are carried out in Michigan and Ohio in the 1950's. The Michigan studies, with which Linker (2013 ) is involved, looked at the differences between high production groups to see if they could identify and differences in leadership behavior (Cole, 2012).

Employees who find job satisfaction are those who work in high producing groups that use the approach of personal touch with leaders and their work targets, whereas supervisors in low producing groups are production centered. This is a producing group rather than where production centered. It is clear to the researchers in cases where the leaders pay great attention to interpersonal relationship with their teams or groups the performance is said to be very unlike where the leaders focused directly on tasks more than the employees. Some supervisors adopted characteristics of both extremes and resulted to the model of leadership style that is presented asa continuum of alternatives. Further arguments are discovered and it is observed that leadership is a key feature to management, (Cole, 2012).

Situational leadership theory, as suggested by Hersey and Blanchard (Maturity of subordinates, 2013) shows that, the key contingency factor that affect leaders' choice of leadership style is the level of engagement and maturity between them and the employees. It shows the ability of employees to accepted responsibility for their own task-related behavior in the performance of given tasks. Leaders are classified into two broad categories of task oriented and relationship oriented behavior. The situational leadership theory forms the basis that the effectiveness of task and relationship-oriented leadership would depend on the maturity of a leader's as well as the employees. According to Hersey – Blanchard model, Leadership style is dependent on the maturity of subordinates.

Leadership in most cases combined attitudes and behavior of both the leader and the followers. It is learnt that employees respond promptly to managers/leaders who they can trust and who inspires them to achieve meaningful goals of the organization. Employees feel more engaged in the work they were performing in the organization when the leadership of the organization encouraged them and inspired great communication between the leaders and them. Quality gains importance when employees see impact on clients they serve and thus managers develop meaningful measures of quality, celebrate achievements in quality (Brayfied, 2015). Another important area is about fair rewards where employees are more satisfied when

they feel they are rewarded fairly for the work well performed. As well as consideration by employers on the quality, responsibilities and effort employees have put forth, the work they have done well and the demands of their tasks.

Studies show that leaders high in initiating structure and consideration for their employees are known as (a high – high leader) who tend to achieve high subordinate performance and satisfaction more frequently than those rated low either or one or both. However, a leader behavior is characterized as high by initiating structure 'only' led to grater rates of grievances, absenteeism, and turn over and low levels of job satisfaction for workers performing routine tasks. Consequently, to make an organization run more effectively it is to concentrate on increasing job satisfaction as a way of reducing employee turnover, Zueliz (2014).

Hewitt (2012) urges that on contributively factors of employee performance in the Tanzanian context. It was established that better understanding on organization factors such as poor human resources policies and leadership styles in the organization leads to employee performance as employees are given not space for their career growth in the organization. Leadership involves the management of external forces as well as dealing constructively with the “members” internal responsibilities, roles and relationships. Individual who are leader focused refers the style of preferred manner of taking tasks and style of personal issue in delivering the goals set for their group or team. Leadership is essentially a process in which one employee, or sometimes a group of employees influence the efforts of others towards the accomplishment of goal in a given set of situation. Leaders are influencers who are required or responsible to identify for opportunities and give directives to channeling of energies to the group.

Employees in most cases fail to show good and quality performance in organizations who leaders fail to link up with the needs and desires of employees and in such organizations, employees efforts are hardly recognized and the consequences boarder on dissatisfaction and the response was take off (Nweke,2012). Such leadership is based on the feeling of indispensability of the leader, making critical organizational decision with little or no people involvement, an attitude that helped to disperse rather than hold workers in the organization.

Directive leader behavior is often known as boss leadership. The leader initiate subordinate works and queried them to accomplish their goals. He establishes a well-defined chain of command, trains employees, provides necessary information or instruction, and uses rewards and punishment to control employee behavior. He defines performance reward relationship condition for its application. Unstructured jobs such that tasks created tensions and

frustration for employees, then the subordinate expected their supervisor to be directive when it satisfied the dependency needs of submissive subordinates (Atkinson, 2013).

Supportive leader behavior; is referred to as leader direction, people oriented or employee centered leadership. It involves friendly approachable consideration leader behavior. Managers use supportive leader behavior when they tend to show personal interests in subordinates. When a leader is friendly and approachable, he provides ongoing personal consultation and encourage subordinate to express their feelings and concern freely (Bob, 2011).

Participative leader behavior is often called group management or team management because managers shared the responsibility of tasks and maintenance tasks with work group members. Participative leaders shared information and power with the subordinates in decision making and in the implementation process. It allows group members to define their own goals, permit group members to structure their own jobs also negotiating with subordinates on problems they face and use group base reward system rather than the individual. The leaders make an effort to share the group failure and success with subordinate leading to increased performance (Hom&Griffeth, 2011)

One of the most important aspects that manager would strive to build is knowledge of an organization to employees, which refers to assets and other facilities, but mostly the human resource (Gary, 2011). To gain this knowledge, strategies of people management are crucial and this is only achieved by a considerate executive through effective leadership that recognizes individual needs of the workers. If employees are contented there is an increased chance that they would stay within the organization and it would become difficult for other organizations to attract them thus enable the organization reduce employee turnover.

If employees are given adequate space to participate in decision making processes in the organization, this increased their loyalty to the organization increased, Wanjala (2014). The organization management measures the leadership of the organization in the way the employees are performing their tasks where they give transparency and accountability a great concern as it made the unethical behavior be reduced and increased the organizational performance.

It is noted that employees lose faith in organizations when inauthentic leaders to go unchecked as this lowered the level of transparency and accountability of the organization and eventually it lead to these employees leaving such organizations. Leadership is number one reason that lead to an employee seek new opportunities in other organizations. An employee's relationship with his or her supervisor is one of the most critical factors that created a conducive work environment that encourage productivity and dedication to an organization and its mission

to achieve goals and objectives. Without a strong sense of mutual respect, the people you lead always looked for a way out (Goling, 2012).

However, there are so many factors that influence organization performance and it's questionable that one leader can make a major leadership. Despite this, leadership is very important on organizational effectiveness, effective leader have strong impact on situational factors such as product organizational structure, technology, customers and reputation; these situational factors are considered then leadership accounts for most organizational performance or failures, (Armstrong, 2010).

Effective leader made difference in organizational performance however the extent to which one leader should have impact is limited by personal and environmental constraints e.g. Leadership inflexibility. Job situation may require a different leadership style but managers were often unable to adjust to match the situation. Manager's selection process can interfere with the selection of best leader while leadership fragmentation was leadership that was divided in so many individuals that no one has a strong impact on organizational performance. In this regard there are pressure groups that interfere with organizational performance e.g. trade unions, environments, (Armstrong, 2010).

Leadership as a process means that the leaders influence other group members towards the realization of organizational goals. Armstrong (2010) suggests that there are components that characterized leadership in an organization, thus leadership as a process, influence to followers is involved, it must occur within a group context and is goal oriented. The definition became useful as it left open the question of whether leadership was exercised in a commanding or a facilitative manner. However, it is the work of the leader to motivate others to act in a positive way which will lead to realization of organizational goals.

Poor leadership cause employee turnover, which ends up costing the organization time and money. The expense of recruiting and training employees ate away funds that would otherwise be used to finance other critical activities in projects undertaken by the organization. In addition, the lack of seasoned employees diminished production, customer service and efficiency (Harrison &Liska, 2012).

In a study done by Tanner (2012), he finds out that some of consistency in leadership traits that a leader should exercise in his jurisdictions in an organization is the drive to achieve, the eagerness to lead, openness and integrity, self-esteem and confidence for the leader. These includes the ability to withstand setbacks, standing firm in decision making and leadership roles being emotionally stable, ability to withstand every follower, and knowledge of the organization management. The need of managing the perceptions of others is also very important in relation to these characteristics of every employee.

Cohen (2014) analyzed leadership competency framework in 188 different organizations. The frameworks represent the competencies related to the level of leadership performance. Cohen (2014) grouped these competences into three levels: technical, cognitive and emotional. The finding is that the ratios between each level, emotional competencies that prove to be twice as important as the others. Cohen (2014) further describes five components of emotional intelligence that can be used by leaders to reduce employee performance. Bob (2012) provides a useful historical comparison of leadership traits that leaders ought to have in order to be able to consistently lead the organization in the right manner. The most well-known expression of the trait approach is the work related to charismatic leadership. Bob (2012), for example, described charismatic leaders to be dominant in their managerial duties, having a strong desire that influence, having a strong sense of their own moral values and being self-confident.

Similarly Laurie (2013) identifies that leaders need to regulate emotional distress in the organization, which is inevitable in change situations, it is important for the leader to have the emotional capacity to tolerate uncertainties, frustration and pain that arise in the leadership journey. Along the same lines Goling (2012) identifies that the inspirational leaders needs to understand and admit their own weaknesses as this will help them understand their followers as well and have the right leadership trait at the right situation.

Finnegar and Talyor (2014) describes leadership to be the process of social influence in which a leader works with the followers and directs them in the realization of the organizational goals. Kirschen and Mano (2010) argue that the key leadership traits includes, self-drive of the leader, this implied the broad aspect of a leader that signify achievement, motivation, ambition, energy, tenacity and initiative to the followers. The cognitive ability and knowledge of a leader makes him/her to be honesty, have integrity and self-confidence to the followers who in turn have great trust in the leader.

Democratic leadership is more preferred than authoritative and lassies-faire leadership as it is found out by Molinah (2015) seminal work. This has come out from collective decision processes by the leader. Before accomplishing organizational tasks, leaders have discussions with the team members and gives technical advice that deem necessary and assist them in realizing the organizational goals.

## **Human Resource and Performance**

The ever-changing health sector environment includes technological and globalization innovations. During the traditional competitive advantage, sources indicate that they are not sufficient for success in today's situation. This competition requires an organization to develop strategic internal potential systems with much emphasis on people as the most needed



resource (Armstrong, 2010). Thus, human resource management has recently been viewed to be a vital tool in the attaining sustainable competitive advantage for the organization. The significance of HRM is greatly emphasized in the face of globalization where by the traditional employment practices are changing due to increased technology. Thus testing added value of HR to performance has become increasingly popular since the mid-1990s.

Dessler (2012) acknowledged that there is great impact on all human resources type that contribute to excellent performance of every organization. With much emphasis, researchers have agreed that the context of globalization in human resources is very vital to achieve success in the most effective and efficient way. It is generally accepted that human resource is the key asset in the new world market in order to achieve the competitive advantage as all other assets are nothing more than commodities that can be purchased at market prices. Wiele (2011), asserts that, only the human asset has potential to learn, grow, and contribute to the organizations performance. However, the much ongoing debate on what in particular brings about the value in the organization, it identifies that human resource is more paramount than the management itself. It shows that with the increase of competitive advantage through HR practices and not the human resources alone.

The desire of human resource practitioners shows that the value of what human resource (employees) do for the whole organization is of long standing: as shown by Drucker (2010) who emphasized that personnel management are worried about their inability to prove that they are making a contribution to the organization. In presenting HRM as a new approach to personnel management it has provided an opportunity to contradict and repeat criticisms that human resources do not add value to the organization. Amina (2014) emphasizes on the strategic contribution that is closer in the alignment of organizations involvement in line with management and focusing on employee involvement providing assumptions and expectations that HR contributes to a range of positive organizational performance.

According to Griffeth (2011), Human resource is a valuable intangible asset in the health sector and every organization that has provided solutions to the problem of how to remain relevant or compete in the job market. Although it is believed that the main purpose of HR is to monitor the performance of an organization through its employees, there appears to be no consensus on the nature of HR Griffeth (2011). The human resource represents great transformation in the implementation of HR processes that is relatively new aspect in the field of human resource management as it acts as an important role of human resource management in focusing about the management in employee and organization performance as a tool to gain competitive advantage Desseler (2012).

Handy (2012) suggests that, for the organization to be successful they have to put proper measures in way they handle human resources policies and practices for the entire organization so as to increase performance in various departments. This has made the performance management to be a planned process where the elements anticipated in the different measurement, feedback, positive reinforcement and ongoing dialogue between managers and employees (Handy, 2012). This has measured performance results in form of achievement in comparison with the expectations expressed as objectives, inputs, values and the outcomes.

Additionally organizational inputs are the knowledge, skills and behaviors necessary to produce the expected results (Gomez 2011). This shows that the organizational needs are identified by defining the requirements and evaluate the degree to which the expected levels of performance are achieved through effective use of knowledge and skills, appropriate behavior. Performance management strategy has to do with all the organization and not just the managers (Gomez, 2011). It is identified that managers are not only responsible for delivering the required performance but also the employee play a major part.

Brayfield (2015) suggests that managers should have the confidence to distribute authority and responsibility throughout the organization. In this way, managers will need to collaborate and consider employees as part of their own in order for them to deliver the required performance. Managers and their teams are jointly responsible for the achievement of the organizational goals and objectives where they agree on the activities, responsibilities and the time plan on achieving them. Performance management processes are termed as part of sweeping across the organization where managers and other employees of the organization should work together to jointly commit to achieving the performance.

### **Organizational Policy and Performance**

According to Armstrong, (2010) organizational policy is a guideline on how things will be done to achieve the desired goals. The county governments after devolution have laid down policies that will guide them on how they will track the employee performance. Organizational policy in the health sector enables employees to have job satisfaction that leads to great performance. The conditions of work place include allowances, fringe benefits, leave entitlement among others. In reviewing the organizational policy, it is important to understand culture of the organization and the changes involved after devolution and how the management will handle the performance of the employees. The work life balance helped the employees to balance the responsibilities of their employers and those of their personal life. This helped the employees to perform their

duties without much pressure and at the end these employees are able to meet their own needs and those of their employer.

According to Kodz *et al* (2015) he explained that organizational policy helped in work life balance and replaced the initially family friend policy that was used by employers, which stated that employees should have a balance between employers' tasks and their individual life outside work and of which the balance should be a healthy one. Organizational policies on employee performance in health facilities in Venezuela found out that many employees are satisfied with their jobs, citing presence of improved working environment and friendly policies as investigated by (Lotta, 2014). Most of the health facilities were considered to have hit the performance high, all courtesy to continuous improvement with which employees were performing. Working environment also entails availability of motivating rewards, accessibility to fringe benefits, guaranteed annual and other leaves as well as annual salary increment (Laurie 2012).

According to Barry (2013) organizational policies have to clearly be stated, documented, adopted and respected; this will involve all stakeholders in the management, volunteers, employees who will be involved in the implementation of the policies and who might be affected by the policies laid down. This is the most likely way to ensure they are understood and functional. After consulting with stakeholders, your organization should be able to determine what types of policies and related procedures need to be written down and agreed upon. During the policy making process, Graff (2012), says it is important to consider the implications that may arise in the organization and its members from different sources. It is achieved when the organization will be weighing up the benefits of the various policy options that will be adopted. There may be relevant constraints in the organization's constitution, in funding guidelines, or with the availability of resources, which may affect the choice of the preferred option. Sound policy making recognizes the constrains that may arise and takes into consideration in order to formulate policy(s) that is reflective of a real world, rather than an ideal, perfect or hypothetical set of circumstances as it will be impossible to respects a policy that is difficult to fulfill.

Graff (2012), urges that getting the best words for policy formulation and guidelines can be challenging at times. The main rules include keeping it short and avoiding jargon so that the implementation will be easy for all parties involved. It is significant to use only 'shall' for mandatory issues and actions or the word 'may' when actions are optional or need to be assessed in different circumstances. When formulating these polices it is necessary to avoid extreme cases, and aim to write balanced and consistent instructions which give employee and volunteers' guidelines that are not unnecessarily restrictive. The management should be aware that employees are unlikely to read the whole document, it is necessary to create an executive

summary with the main points summarized so that the employees and management will understand all the policies that will be used to measure performance in the organization.

According to Grace (2011), policy statement gives the clear guideline to begin with as they reflect the reason for the policy formulation and development. For example, a policy on confidentiality may begin with a statement like: “The purpose of this policy is to establish the care organization’s approach to ensuring the confidentiality of information which identifies individual persons. The policy will cover all service users, community members, staff, volunteers and other agencies or organizations that they may be corroborating in service delivery.

In most case the steps to formulate and implement a policy in an organization takes time, and may require the use of sub-committees or working groups in each step. A participatory process will usually lead to a better informed decision and policy making, as well as to a higher commitment by members of the organization to the policy (Richardson, 2014). For policy to be authentic so as to be used by the organization it is important for the policy team to show the final document to a legal expert before ratifying the policy and disseminating it to all relevant staff and volunteers. From the legal expert point of view, it will be necessary for the employees to receive some training in understanding the policies and thereafter implement the rightfully. For instance, if the organization has a policy that requires all staff to have a first aid certificate, they will need to make sure that employees know what this is, where and when they should obtain it, and who is expected to pay for it.

Gevers (2012) suggests that organizations should review their policies regularly and are monitored so that they reflect the best ways to manage implementation of activities and deliver services. In most case the organizations environment is always changing, and policy preferences must be kept up-to-date. These make it important for regular review of organizational policies and make changes, where necessary.

Edward (2013) finds out that if the health sectors have developed a policy about racism in the workplace, it will be necessary to make action to that policy by ensuring that every new employee receives cross-cultural training and the same with policy about confidentiality, the health sector should review where client case notes are stored and purchase lockable filing cabinets. To ensure the effectiveness of a policy at the health sectors the related activities or procedures or monitoring mechanism should be implemented (Barry, 2013).

## **METHODOLOGY**

### **Research Design**

The research adopted descriptive research form. Kothari (2011) suggests that descriptive research be used due to the nature of the study. Quantitative methods were employed in data

collection and analysis to compare and contrast the relationship between the independent variables and the effect it has on the dependent variable (Mugenda & Mugenda, 2003). Research was chosen because the study was to describe at length how health sector in Kenya will overcome this challenge.

### Study Population

The study targeted employees of Makueni County Government, department of health. According to Mugenda and Mugenda, (2003), a target population is a description of an accessible population that the researcher uses to generalize the results of the study. The study targeted employees of Makueni county government, department of health from 8 sub-county hospitals spread across Makueni County. The sub county hospitals were selected according to their similarity in activities and services they give. The health department has a total of 890 employees in different capacities. The study covered different cadres which included directors, line managers, doctors, clinical officers, nurses, lab technologists and public health officers and subordinates. A target population of 250 staff was drawn with a sample size of 100.

### Sampling Design

Stratified random sampling was applied so as to divide the employees into fewer subgroups from the various departments in the hospitals since every sample of any given size has an equal opportunity of being selected. Stratified random sampling was also used to assist in order to get all the views from the various strategy in the target population. These were to ease the work of deciding on the size of each stratum or subgroup in the sample. It is identified that a sample of 30% or more is to result in a sampling distribution for a mean that is very close to a normal distribution (Stutely's, 2012). The total number of respondents in the study was 100, which arrived at using a 40% ratio of the total population. This was in line with Mugenda & Mugenda (2003) where it is suggested that at least 10%-50% ratio of the total population is enough.

Table 1: Sampling Design

Department	Population
Directors	4
Line Managers	6
Doctors	30
Clinical Officers	35
Nurses	100
Lab technicians	45
Public Health Officers	30
<b>Total</b>	<b>250</b>

### **Sample Size Determination**

Sampling is the process of selecting subject of the study from the total population so that through studying the sample it will be possible to generalize the results and understand the behavior of the population from where the sample is drawn from (Kothari, 2006). In the study probability sampling design was to be used where by each item from the target population was to be accorded equal chance of being included in the final sample hence having objectivity in the sample selection. Thus by using stratified random sampling the population was divided into seven strata on the basis of distinctive categories of department of health in Makueni County Government such as directors, Line managers, doctors, nurses, lab technologists, public health officers and subordinates.

### **Data Collection Procedure**

The researcher sought clearance from the department of post graduate studies at St. Paul's university before seeking a research permit form the National Commission for science, Technology and Innovation (NACOSTI). The researcher sought further clearance from the county secretary Makueni county government and also the chief officer department of health in Makueni county government. The researcher used primary data, where data was collected using questionnaires as it gave in depth information from the respondents. The researcher had field visits to the respondents where the questionnaires were issued at their respective sub county hospitals accordingly.

### **Data Collection Instruments**

Data was collected using primary sources. Primary data was collected using a semi structured questionnaire which had both open and closed ended questions. The structured questions were standardized to allow the respondents to reply to the same questions in a defined manner and the unstructured questions gave the respondents complete freedom of response and encourage them to offer explanation. According to Kathuri and Pals (1993), questionnaires are used because they collect information that is of interest to the researcher and every respondent in each sample category answers exactly the same questions (Kombo & Tromp, 2006). When collecting primary data, the researcher assisted the respondents to fill the questionnaire and at the end confirmed issues that arose out of the data supplied (Kombo & Tromp, 2006).

### **Reliability Test**

A pilot study was conducted to test the study instrument before administering it. The pilot study comprised of 10 respondents who were not part of the already selected sample. The pilot

testing was conducted in an attempt to test the reliability by administering the questionnaire to the respondents. This involved carrying out a preliminary analysis to see whether the wording and format of questions would produce any difficulties when the main data was analyzed. Pilot study aimed at feasibility, adequacy of instrumentation, problems of data collection strategies and proposed methods and answering methodological questions and planning the main study.

### **Validity Test**

The validity of an instrument relates to its ability to measure the constructs as purported. It arises due to the fact that measurements in social sciences are indirect (Mugenda & Mugenda, 2003). Validity concerns the accuracy and meaningfulness of inferences which are based on the research results (Bryman & Cramer, 2005). Three kinds of validity were considered during this research, face validity, content validity and construct validity. Face validity dealt with the researcher's subjective evaluation of the validity of the questionnaire, and so the researchers believed the instrument was appropriate. The current research relied on instruments developed in other related studies, as well as concepts generated from a broad range of appropriate literature.

Content validity ensured that questionnaires getting tested is subject to double check. The questionnaire covered all the two main areas of the study which included devolved leadership and performance of health sector. Finally, expert judgment was also employed to confirm if theoretical dimensions emerged as conceptualized. Construct validity ensured through the operationalization of terms. The variables in the study were operationalized to reflect the theoretical assumptions that are underpinned in the conceptual framework for the study.

### **Data Analysis and Presentation**

Descriptive statistics such as mean scores, percentages and frequency distribution were employed using SPSS. Descriptive statistics provided the basic features of the data collected on the variables under study as well as the impetus for conducting further analysis on the data (Mugenda, 2008).

To establish the nature and magnitude of the relationships between the independent variables and dependent variable, the researcher used inferential statistics. Multiple regression model was used since it best suits this study as it explained the relationship between dependent and independent variables which the study seeks to establish. The dependent variable, performance of health sector in Makueni County government was regressed against four independent variables namely; financial resources, leadership styles, human resource, and

organizational policy. The equation for performance of health sector in Makueni was expressed as follows:

$$(Y) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

$B_0$  = constant

Y = Performance of health sector in Makueni County

$X_1$  = financial resources

$X_2$  = leadership styles

$X_3$  = human resource

$X_4$  = organizational policy

$\epsilon$  = an error term

$B_1, \dots, B_4$  = regression coefficient (unit measurement) of four variables. Both descriptive and inferential statistics are the methods which was used to test the model.

### **Ethical Consideration**

Confidentiality of respondents was valued in the field during research activities in order to get relevant and appropriate data. The researcher assured the purpose of the research paper and confidentiality of any information gathered through questionnaires on the introductory part of the paper. The researcher acknowledged authors by citing their work.

### **FINDINGS**

The major objective of this study was to find out the effect of corporate governance on the loan performance of commercial banks in Kenya. The independent variables includes the BS that comprised of the board size, board independence and board diligence, AS that comprised of the audit size, audit independence and audit diligence and the chief executive officer duality. The dependent variable which is the loan performance is measured by the NPLs ratio.

### **Influence of Financial Resources on performance of Health Sector in Makueni County Government**

The first objective was to find out the influence of Financial Resources on performance of Health Sector in Makueni County Government. On a scale of 1-5, where 1 = Strongly Agree, 2 = Agree, 3 = Partially Agree, 4 = Disagree, and 5 = Strongly Disagree, respondents were asked to rate items in regards to effect of financial resources on performance of health sector in Makueni County government. The responses in percentages were computed and presented in tables as below:



Table 2: Influence of Financial Resources on performance of Health Sector  
in Makueni County Government

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. Deviation
Financial resources affects quality of output as measured by the stakeholder	34	22	10	14	3	1.93	1.171
Current salary/Wage structure enhances employee performance	10	17	22	16	22	3.15	1.351
There exists adequate incentives for improving employee performance	7.2	12	16.8	23	19	3.52	1.180
Current total reward system encourages employee retention	10.3	19	21.2	17	15	3.36	1.240
There is always equity in compensation	5.5	9	18	20	32	3.77	1.173
There is accountability in the way finances are spend	33	21	12	10	9	2.07	1.262
Total	100	100	100	100	100	2.97	1.23

The researcher sought to know the effect of financial resources on performance of Health Sector where the 34% of respondents strongly agreed that financial resources affect the quality of output as measured by the stakeholders while 14% disagreed. 22% strongly disagreed that current salary/wage structure enhances employee performance while 17% felt it enhances employee performance. 23% of respondent felt that there is no adequate incentives use for improving employee performance with 12% agreeing the incentive exists. 19% of respondents felt that the current total reward system does not encourage employee retention while 12% felt that they are encouraged. 32% of the respondents felt that there is no equity compensation for the employees while 9% felt there is equity in compensation. There is accountability in the way finances are spend according to 33% of respondents with 9% who felt it's not done accordingly. The findings concurred with (Dessler, 2012) who pointed out that a well structured financial procedures in an organization makes it to fulfill its goals and objective and make employees feel that the value he /she adds to the organization is appreciated.

### Influence of Leadership on Performance of Health Sector in Makueni county government

The respondents were asked to rate the following items in regards to effect of leadership on performance of health sector in Makueni county government. The responses were on a scale of 1-5, where 1 =strongly Agree, 2 = Agree, 3 = partially agree, 4 = Disagree, and 5 = strongly Disagree. The percentages were computed as presented in Table 3.

Table 3. Influence of Leadership on Performance of Health Sector  
in Makueni county government

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. Deviation
Leadership style creates conducive work environment	30	18	12	10	4	2.07	1.262
Organizational culture encourages employee decision making	31	22	7	14	3	1.99	1.184
Roles are well defined that encourages performance	13	17	23	13	22	3.14	1.337
The current culture is favorable for employee performance	12.3	18.5	21.2	22	15	3.21	1.178
There is open communication among employees	8.2	15	17.8	24	19	3.49	1.199
Employee participation is always considered in decision making	5.5	9.5	19	17	37	3.15	1.351
Total	100	100	100	100	100	2.95	1.22

The study findings showed that leadership style provide a conducive work environment which was presented by 30% of the respondents, 12% partially agreed while 4 % strongly disagreed. This implies that the County Government of Makueni provided good leadership leading to conducive working environment. The respondents felt that even though the leadership provided conducive working environment, the roles are not well defined which was represented by 23% who partially agreed, 22% strongly disagreed, 13% disagreed and 13% strongly agreed. For current culture of the organization respondents felt that it was favorable for improving employee performance as represented by 22% who disagreed against 18.5% who agreed with 21.2 %

partially agreed. There was no open communication among the employees as was anticipated these was shown by 24% of respondent disagreed, 15 % agreed and 8.2% strongly agreed. Employee participation was not considered always in decision making as shown by 5.5% strongly agreed, 9.5% agreed and 37% disagreed. These implied that there was need for more participation of employees in decision making and encourage more open communication among them thus creating a sense of belonging and increased performance.

The leadership exercises determine the future of the organization and it will be able to achieve its goals and objectives (Wanjala, 2014). The leaders in the health sector ought to practice leadership that will be able to accommodate different level of employees and makes sure each employee feels appreciated.

### **Influence of HR Management on Performance of Health Sector in Makueni County Government**

The respondents were asked to rate the following items in regards to effect of HR management on performance of health sector in Makueni county government. The responses were on a scale of 1-5, where 1 =strongly Agree, 2 = Agree, 3 = partially agree, 4 = Disagree, and 5 = strongly Disagree. The percentages, were computed as presented in Table 4.

Table 4. Influence of HR Management on Performance of Health Sector  
in Makueni County Government

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. Deviation
There is equal opportunity for promotion	12.3	16.4	20.2	16	15	3.14	1.262
There are opportunities for learning and improvement	31	27	7	10	5	1.93	1.171
There are fair disciplinary procedures	8.2	13	17.8	25	19	3.47	1.203
There is optimal staffing of all the health workers cadres	5.5	9.6	20	18	33	3.77	1.173
<b>Total</b>	100	100	100	100	100	2.29	1.04

The researcher sought to investigate on the Effect of HR Management on Performance of health sector which was represented in the level of agreeing or disagreeing on how best HR is

practiced. Only 13% indicated that there is fair treatment for equal career growth while 22% strongly disagreed. The respondents felt that there was fair application of HR best practices indicated by 30% strongly agreeing and 6% disagreeing while for opportunities for learning and growth which was shown by 16.4% agreeing while 15% felt there were no best HR practices shown. The respondents also felt that there were no fair disciplinary procedures followed as indicated by 8.2% agreeing and 19% disagreeing. The optimal staffing in all the health workers cadres was observed that 33% strongly disagreed while 9.6 % agreed there was optimal workers cadres in all health sectors.

### **Influence of Organizational Policy on Performance of Health Sector in Makueni County Government**

The respondents were asked to rate the following items (on Likert scale) in regards to effect of organizational policy on performance of health sector in Makueni county government.

Table 5. Influence of Organizational Policy on Performance of Health Sector in Makueni County Government

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Mean</b>	<b>Std. Deviation</b>
Policies are favorable for encouraging employee performance	31	27	7	9	4	1.93	1.171
Organizational structure encourages employee decision making	13	17	25	19	22	3.15	1.351
Policies are in support of the mission and culture of the organization	8.2	15	16	25	19	3.14	1.262
Policies are fairly implemented	12.3	15	22	19	17	3.14	1.262
There is proper documentation of policies	5.5	9	18	16	32	2.07	1.262
The policies in the organization are clear, logical and flexible	30	17	12	12	6	1.93	1.171
<b>Total</b>	100	100	100	100	100	2.29	1.04

The researcher sought to know the effect of organizational policy on performance of health sector in Makueni County Government where the 31% of respondents felt that Policies were

favorable for encouraging employee performance while 9% disagreed. 22% disagreed that Organizational structure encourages employee decision making while 17% felt that it actually encourages decision making. Only 15% agreed to the fact that policies were in support of the mission and culture of the organization with 25% disagreeing. 12.3% felt that policies were fairly implemented while 19% disagreed to the fact that policies were fairly implemented. 9% were in the agreement that policies are well documented while 32% disagreed. 30% agreed to the fact that policies in the organization were clear, logical and flexible with 12% disagreeing.

The study findings concurred with (Griffeth, 2013) who stated that the organizational policies were the vehicles for the organization and the implementers are the fuel. This is because the organizational policies form the centre part on any business success.

### Performance of Health sector in Makueni County Government

Performance of health sector in Makueni county government was the dependent variable for this study and the study sought respondents views using four factors namely employee retention, Job satisfaction, quality service delivery and health care concern for patient satisfaction. The respondents were asked to rate various items regarding the same and percentages were computed as presented table 6. The responses were on Likert scale.

Table 6. Performance of Health sector in Makueni County Government

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. Deviation
Patient satisfaction ratings have positively changed in the past year	4.2	10	17.8	29	19	3.47	1.203
Staff performance appraisal system has indicated areas of major resource funding for greater output and infrastructural department.	2.5	4.1	20	12	32	3.77	1.173
The department has identified key sectors of health that need improvement	39	24	7	10	3	1.88	1.117
There are strategies and mechanisms of improving patient safety at the health care facilities	38	21	10	11	4	2.12	1.301
There is a sense of high technology incorporated into medicine by the department	8.3	19.9	20.2	19	20	3.14	1.262
There are no cases of cancelled or postponed surgeries	8	21	25	19	22	3.04	1.358
<b>Total</b>	100	100	100	100	100	2.90	1.24

The researcher sought to generally know the performance of health sector in Makueni County Government where 10% of respondents felt that Patient satisfaction ratings have positively changed in the past year while 29% disagreed. 32% disagreed that Staff performance appraisal system has indicated areas of major resource funding for greater output and infrastructural department, while 4.1 % felt that was not the case. 39% agreed to the fact that the department had identified key sectors of health that needed improvement with only 10% disagreeing. 38% felt that there were strategies and mechanisms of improving patient safety at the health care facilities while 11% disagreed to the fact that there were any strategies in place. 19.9% were in the agreement that there was a sense of high technology incorporated into medicine by the department while 44 disagreed. 21% agreed to the fact that there were no cases of cancelled or postponed surgeries with 22% strongly disagreeing.

## Regression Analysis

### *Model Summary*

Model summary analysed the changes in the dependent variable due to the changes in independent variables. The dependent variable that was analysed by this was performance of Health sector in Makueni County Government. The independent variables that affected the dependent variables were: financial resources, leadership, human resource management and organizational policy of health sector in Makueni County government.

From the Table 7 below, the value of adjusted R squared which was .827 shows a variation of 82.7% of performance of Health sector due to changes in financial resources, leadership, human resource management and organizational policy. The remaining 17.3% imply that there are other factors that lead to performance of Health sector in Makueni County which were not discussed in the study. R is the correlation coefficient which shows the relationship between the study variables. From the findings, the study found that there was a strong positive relationship between the study variables as shown by .837.

Table 7. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.915 <sup>a</sup>	.837	.827	.209	.837	86.977	4	68	.000

a. Predictors: (Constant), Organizational Policy, Leadership Styles, Human Resource, Financial resources

### Regression Coefficients

Multi regression analysis was carried out to show the nature of the relationship between the dependent variable and independent variables as shown by the table below.

Table 8: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.282	.095		2.986	.004	.094	.471
Financial resources	.745	.157	.737	4.739	.000	.431	1.058
Leadership Styles	-.053	.067	-.070	-.797	.428	-.186	.080
Human Resource	.245	.069	.416	3.541	.001	.107	.384
Organizational Policy	-.156	.161	-.153	-.972	.335	-.476	.164

a. Dependent Variable: Performance of health sector in Makueni County Government

From the above table, the regression equation established was:  $Y = 0.282 + .745 X_1 + -0.053 X_2 + 0.245 X_3 + -0.156 X_4 + e$ .

This equation above indicates that holding all independent variables constant to zero, performance of health sector in Makueni County would stand at 0.282. Financial resources variable is statistically significant to performance of health sector in Makueni County and a unit increase in financial resources would lead to an increase in performance of health sector in Makueni by a factor of 0.745. This shows that financial resources had significant positive relationship with performance of health sector in Makueni. Leadership Styles variable is statistically significant negatively to performance of health sector in Makueni and a unit increase in leadership Styles would lead to a negative decrease in performance of health sector in Makueni by a factor of -0.053. This indicates that Leadership Styles had a negative relationship on performance of health sector in Makueni. Human Resource variable is statistically significant to performance of health sector in Makueni and a unit increase in Human Resource variable will result to increase in performance of health sector in Makueni by a factor of 0.245 and hence this variable is statistically significant. Organizational Policy is negatively related to performance of

health sector in Makueni and its unit increase will result to decrease in performance of health sector by a factor of -0.156.

## **CONCLUSIONS**

Employee performance is the greatest achievement for every organization; this was proved by having human resource as one of the most critical components for strategic success across all organizations. Effective human resource management practices should be able to satisfy and retain this most critical asset. The role of HRM is generally seen in ensuring that firms are able to attract, retain, motivate and develop human resources according to current and future requirements.

The study revealed the role of human resource management, financial resources, organizational policy and leadership on employee performance of staff in health sector of Makueni County was investigated. From the findings it's concluded that these human resource management practices play a significant role in performance. It is however concluded that the practices in place were unsatisfactory. For instance financial resources were well disbursed, organizational policies were not in line with the overall mission, leadership practiced did not meet the employee's expectations and human resource management was fairly practices.

## **RECOMMENDATIONS**

On the findings, the study recommends on the importance of practicing well-structured human resource management so that every staff will feel appreciated. The researcher made recommendations that should be considered in policy formulation so that it can address low performance of employees at health sector in Makueni County and elsewhere in the country. The study showed that health sector does not display effective leadership skills and more often, employees' concerns were ignored and instead employees' performance kept on declining. The study recommended that health sector leadership to put proper measures on leadership that will lead to increased productivity and great performance of employees.

It was also found that, the disbursement of financial resources and the compensation given to the employees in the health sector had a strong influence on their performance as salary earned is the best compensation that an employee can obtain from an organization it was noted that employees in the health sector continued to perform poorly due to meager pay package they received. The study recommended that a system to be put in place for pay review and increase through effective scheme of service.



## LIMITATIONS OF THE STUDY

The factors influencing employee performance are many but the researcher focused only on financial resources, leadership, human resource and organizational policy. Thus it was recommended that further research to be carried out to get to know other factors influencing employee performance. Although devolution is a nationwide aspect in Kenya the study focused only in Makueni County government. In addition, the study was based on health sector unlike the other sectors that may be affected by devolution.

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