Human Resources Management and Organizational Performance in Decentralization era in Kenya: A Case of Kisii County

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Abstract
This study examined whether there exists a relationship between the utilization of decentralized Human Resources and Organizational Performance in Kisii County, Kenya. To check this relationship, three variables that is, decentralized human resources management; locally availed managers, and utilization of decentralized human resources as independent variables were compared with a variable on private and government organizational performance in Kisii County. Cross-sectional research design and stratified random sampling were used with the aid of questionnaires as a tool for data collection. The target population of the study comprised of 38 organizations with a population of 285 workers out of which 11 (6 Government and 5 private) were selected as accessible population. In this study, a 22 itemed questionnaire was given to an accessible population of 86 participants to react to questions that were based on the three major phenomena against performance of organizations. Reliability of items was tested using Chronbach’s alpha index which was found to be .769 for all items. Data collected from an accessible population were analyzed using paired samples t-test with the help of Statistical Package for Social Sciences (SPSS). Interpretation of results were based on α (.05), 85 degree of freedom (df), probability level (p), observed t-values and t-critical. Results from the t-tests were presented using tables. The findings of the study revealed that there was no significant relationship among decentralized human resources and performance of organizations but there was a relationship between utilization of decentralized resources and locally availed managers and performance of organizations in Kisii County. Out of this study, recommendations were made to the National government, Kisii county government and Kisii County Community.

Keywords: Organizational Performance, Decentralized Management, Human Resource Management, Decentralized Resources, Rejuvenation

1. Introduction
It is evident that since 1980s, decentralized governance has replaced centralization controls of management of state affairs of many countries at a high rate both in developed and developing countries (Bullock & Thomas, 1997 and Govinda, 1997). However, as Govinda further notes, this is “perhaps more, true of the on-going debates and discussions in the developing ones” (p.3). As governments decentralize politically, other sectors are decentralized too including both private and public organizations. Kenya and her Kisii County are not exceptional where Human Resources (HR) is decentralized for use in different organizations. Human resources form an important component of resources in organizations because it is this resource that manipulates other resources for performance (Levacic, 2000). It is this reason that proper selection of Human Resources (HR) for use in Kisii County is essential if organizations are to perform well in terms of output. Human resources in organizations include managers and other workers majority of whom is drawn from within the Kisii County and whose services in relation to performance has been assessed in this study.

Behrman, Deolalikar and Soon (2003) hold that decentralized resources have been advocated mainly in the hope of improving efficiency and learning outcomes, although it has also been driven by financial constraints in some countries. In Kisii County, decentralization of human resources is viewed as a necessary condition for the improvement of the performance of organizations. Decentralization of HR is hoped to create an enabling environment for improved performance of institutions (Fiske, 1996). This assumption was the basis for this study in regard to Kisii County that has devolved her services through political decentralization that started taking root in Kenya in early 1980s and officially constituted in 2013.

2. Background to the Study
The use of decentralized human resources in organizations is said to have originated from United States of America (USA) and the United Kingdom (UK) and that decentralized institutional governance started in the 1960s (Zajda, 2006; Daun, 2007; Smith, 1985). Decentralization has had an evolution which can be seen roughly in two phases. This include the 1960 – 1970 period that is referred to as embedded liberalism epoch or the post-honeymoon in most African and those countries that had gained independence in the late 1950s and early 1960s (Harvey, 2006). This period saw the reduction of the status in organizational control by local governments to increased state control characterized by fiscal crises. The second period that opened doors to the 1980s and spread to the present is referred to as neo-liberalism epoch. In this second period, decentralization has
become a globalized policy in many countries and it has become catchword with many institutions involved in
its application (Harvey, 2006; Pasteur, 1999; Daun, 2007). This period is characterized by forces of liberalism,
liberty, and freedom - against centralism in favour of decentralization in the control of organizations. Since
1980s, World Bank (WB), International Monetary Fund (IMF) and some donor agencies are involved via
Structural Adjustment Programmes (SAPs) in spreading decentralization policies as major agents in the world,
Africa and Kenya.

In most countries especially the developing ones, including Kenya, decentralization ideologies were
introduced as a result of external forces from the World Bank (WB), International Monetary Fund (IMF) and
other donor agencies (Ndegwa, 2002; Daun, 2007; Gershberg & Winkler, 2003; Mogapi, 2010). In Africa
decentralization programmes started to take root in the early 1980s. Kenya was affected by this phenomenon that
saw Structural Adjustment Programs (SAPs) instituted in many organizations. Mogapi (2010) asserts that
decentralization is to promote ownership of programmes, projects and institutional governance through
community participation. He further notes that decentralization has delegated powers to Sub-districts in the sense
that they will be used in decision making. In Kenya, the democratization process initiated by the said external
forces became an eye opener to Kenyans and the end result was the demand for and the creation of decentralized
government that was officially born in 2013. Decentralization that was effected in Kenya, divided the unitary
state into 47 autonomous entities characterized by economically weak Counties and duplication of duties at
different levels leading to high wage bill and economic slump.

3. Statement of the Problem
Kenya like many African countries was forced to decentralize in the 1980s and this has created some problems
in service delivery in terms of management of resources (Sharma, 1999). Kenya has decentralized with Counties
as the focal points through which decisions and planning are done. It was hoped that decentralizing organizations
will enhance production and improve performance in Kisii County through decentralized managers and
employees. According to Lung (2007), the adoption of decentralization is to improve the quality of the public
services and enhancing the participation of the citizens in decision making. However, there are emergent
problems which have not only slowed output but also reduced performance in private and government
institutions in Kisii County.

The efforts towards promoting decentralization process and performance of organizations are thwarted
by the government officials themselves (Mothusi & Dipholo, 2005). These government employees who are
actually supposed to be in the fore front in bringing about change and delivery of service for organizations are
the same ones who are roadblocks to decentralization. It is noted that efforts towards decentralization of
government organizations seem to lack the necessary internal politico-administrative and economic support. On
government officials, it is noted that the central government retains the functions that local government officials
cannot undertake due to the magnitude of resources or expertise required. Without the National government’s
role, the County or points where the process of devolution as an aspect of decentralization is taking place in Kisii
may not perform their functions well in the provision of services to the people. This means that the County is
supposed to steer the process of decentralization but the provision of manpower is weak and that they cannot
survive without the central government.

Training of local personnel is a problem associated with decentralization. Dyk (1999) argues that the

Training takes long, a phenomenon that makes the government to use unqualified officers or opt to hire
expatriates. However, it is noted that the hiring of expatriates is expensive and it is inconsistent. The relationship
between the Kisii County and the National government is essential in Kenya in the decentralization epoch.
However, to larger extent, this National-County government relationship has not been well and fully developed
for proper functioning of the County’s decentralized organizations and as an autonomous entity. Kisii County is
among the 47 Counties in Kenya that is a victim of this phenomenon.

Since 2013, the process of organizational decentralization has had its pie to citizens that is a
contributor to unpleasant performance of organizations. Recruitment of County officers in Kisii has received
criticisms ranging from unqualified officers appointed to office to head County slots to County heads giving
appointments to family affiliated members as employees and heads of organizations. While this phenomenon has
been common in Kenya at the national government up to the end of 2012, it seems to be rejuvenated in Kisii
County during decentralization era that was officially instituted in March 2013.

4. Research Hypotheses
- There is no relationship between decentralized human resources management and
organizational performance in Kisii County.
- There is no relationship between locally availed managers for management and
organizational performance in Kisii County.
5. Literature Review

According to Smith (1985) decentralization of governance refers both reversing the concentration of administration at a single centre and conferring powers of local governments. Smith further argues that in the study of politics, decentralization refers to territorial distribution of power and that it is concerned with the extent to which power and authority are dispersed through the geographical hierarchy of the state. According to Gori (2012), the management aspect of the decentralized resources plays an important role in resource utilization in relation to performance. Arunatilake and Jayawardena (2009) and Ross and Levačić (1999) argue that decentralized human resources to a higher degree can have an impact on institutional outcomes. They further argue that managers of decentralized systems can influence the authority given to local level decision-makers by the centre and those that allow greater participation of the community in the decision-making process. For the past few years and precisely since 2013 the demand for participation in government and development activities has increased in Kenya. Ndegwa (2002) argues that major development donors to African states have pushed decentralization as a pathway to improving governance and service delivery in Africa.

Decentralization of organizations involves designed processes which help to direct and above all improve service delivery. According to Lung (2007), the coordination of the decentralization process involves a strong political will, adequate administrative capacity for both central and local government, active involvement of the organizational structures, information management, common language, policy and legislation. As Bush and Bell (2002) argue, the shift to self-management and the pressure on resources, have led to major developments in the management of people which include less tolerant of suboptimal performance. On the other hand, Gori (2014) found out that the trend towards local management under decentralization with the emphasis of the use of local human resources however, has had challenges some of which have affected performance of organizations. On community involvement under decentralization, Gori (2001) found out that some ideologies like “unqualified but belonging” already possessed by some community members among others have been used to deploy clan affiliated personnel though not fully qualified for the job. HRM is an important aspect in relation to performance of organizations. In his study, Mullins (2007) has emphasized the importance of the understanding of HRM by managers and has stated that they need to understand the importance of good managerial practices and how to make the best out of people.

Utilization of local human resources is an important aspect in decentralization era. As Dambe, Moorad and Afemikhe (2008) argue, “utilization and not availability is the most important factor in achievement” (p.87). They further argue that availability of resources is not a sufficient condition for utilization of resources. From this argument, it can be concluded that managing of the available resources takes a central role in organizational performance. McLean and Lauglo (1985) have argued that “decentralization is sometimes proposed and supported as the most efficient means of securing other objectives. This is linked to the view that centralized systems are slow and cumbersome” (p.10). There is also the claim that centralization creates passive conformity and that local autonomy is associated with dynamic innovation. On the other hand, McLean and Lauglo (1985) argue that “Governments may decentralize because the demand for local control is great and it is less threatening to central power to concede to these demands than to resist them” (p. 11). Kenya has decentralized following a variety of reasons that range from external pressure to internal pressures that included the need for good governance with democratic norms.

6. Methodology

This study was carried out in Kisii County which is one of the rural Counties among the 47 in Kenya that is 400 kilometers from the capital city Nairobi. The target population of the study comprised of six government and five private organizations which had a population of 285 workers out of which 86 employees were selected as accessible population. The researcher applied quantitative research method in this study along with cross-sectional research design which was considered suitable in regard to time and the collection of data at a single point (Gay, Mills, Airasian, 2006). Once data was collected, processing was done with the assistance of Statistical Package for Social Sciences (SPSS) software. First, for each of the hypotheses, testing was done by comparing the items of independent variables with those of dependent variables. To do this, the items’ means were established because they were the ones to be compared. Secondly, all the items testing independent variables were compared with all the items testing dependent variables to establish relationships. This was done using paired sample t-test analysis. The comparisons based on t-values, t-critical, df, p-values and at an alpha level of .05 were used for the rejection or retention of the null hypotheses (Gall, et al, 2003).

7. Questionnaire’s Reliability and Validity

The tool’s reliability for data collection was tested using Cronbach’s alpha index and was found to be .80.
According to Bryman (2004) and Airasian (2006) estimation of the tool’s reliability is essential for reliable results. To ensure whether the measure reflected the content of the concept in question, the researcher applied face validity before the items were used to collect data from respondents.

8. Presentation of Data Analysis for Each Hypothesis

The first Hypothesis which was testing whether there is a significant relationship between decentralized human resources management and organizational performance had items on the independent variable side with a mean of 2.07 and a standard deviation of .400 while items testing organizational performance (dependent variable) had a mean of 2.00 and a standard deviation of 1.029 (see Table 1). The paired samples t-test analysis produced a t-value of .660 and a p-value of .511 (see Table 2). At a df of 85, the t-critical at α (.05) = 1.98. Therefore a t-value of .660 is less than a t-critical (1.98) required for α = .05. Decentralized resources management was one of the elements that were considered to have impacts on organizational performance. Results presented in Table 2 indicate that a higher percentage of respondents agreed that the managers performed this important task in both private and public organizations in Kisii County.

The second Hypothesis was testing whether “There is no relationship between locally availed managers and organizational performance in Kisii County”. To test this, locally availed managers items’ mean of 3.14 and Standard Deviation .984 were compared with institutional performance (M = 2.0, SD = 1.029) as shown in Table 1. A paired sample t-test analysis produced t-value of 7.025 and p-value of .000 (see Table 3). At a df of 85, t-critical at α (.05) = 1.98. From this result, a t-value of 7.025 is greater than a t-critical (1.98) at α = .05.

Table 1

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
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</thead>
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<tr>
<td>Decentralized HRM</td>
<td>2.07</td>
<td>.400</td>
</tr>
<tr>
<td>Locally Availed Managers</td>
<td>3.14</td>
<td>.984</td>
</tr>
<tr>
<td>Utilization of Decentralized HR</td>
<td>2.28</td>
<td>.714</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>2.00</td>
<td>1.029</td>
</tr>
</tbody>
</table>

a = .05, df = 85

The third Hypothesis was testing whether “there exists a relationship between the utilization of decentralized human resources and organizational performance in Kisii County”. To check this relationship, items’ mean for utilization of decentralized human resources variable (M=2.28, SD =.714) was compared with that of organizational performance (M = 2.00, SD = 1.029) as shown in Table 1. The computation using a paired sample t-test produced a t-value of 2.166 and p-value of .033 at a df of 85. At a df of 85, a t-critical at α (.05) = 1.98. The results show that a t-value of 2.166 is greater than t-critical at a df of 85 (see Table 4).

Table 2

<table>
<thead>
<tr>
<th>Pair 1</th>
<th>t-value</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralized HR management – Organizational performance</td>
<td>.660</td>
<td>85</td>
<td>.511</td>
</tr>
</tbody>
</table>

P >.05, critical t = 1.98
Table 3
Paired Sample t-test for locally availed managers and organizational performance in Kisii County

<table>
<thead>
<tr>
<th>Pair 1</th>
<th>t-value</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally availed Managers - Organizational Performance</td>
<td>7.025</td>
<td>85</td>
<td>.000</td>
</tr>
</tbody>
</table>

P <.05, critical t = 1.98

Table 4
Paired Sample t-test for the utilization of decentralized human resources and organizational performance in Kisii County.

<table>
<thead>
<tr>
<th>Pair 1</th>
<th>t-value</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilization of Decentralized HR - Organizational performance</td>
<td>2.166</td>
<td>85</td>
<td>.033</td>
</tr>
</tbody>
</table>

P < .05, critical t = 1.98

9. Research Findings and Interpretation of Results for Each Hypothesis

Hypothesis 1
The first hypothesis stated that there is no relationship between decentralized human resources management and organizational performance in Kisii County. Based on α (.05), a degrees of freedom (df) of 85, t-critical = 1.98, results displayed in Table 2 indicate that t (.660) < 1.98 with a p-value of .511 produced during the analysis. This indicates that there was a significant effect for management of decentralized human resources management, t (85) = .660, p > .05 on organizational performance. From the results of the analysis for the first hypothesis, it was found that there was a significant relationship between the decentralized human resources management and government and private organization’s performance in Kisii County. According to t-test analysis, p and t-values produced by the analysis were compared with 0.05 and t-critical respectively for the interpretation of results. Based on this, null Hypothesis one was retained. This was therefore interpreted that there was no relationship between the decentralized human resources management and private and government organizations’ performance in Kisii County.

Hypothesis 2
Like hypothesis one, the paired t-test analysis done indicated that the relationship between locally availed managers and government and private institutions’ performance in Kisii County was significant. Results in Table 3 show that t (7.025) > 1.98 (t-critical), a value required for α = .05 at a df of 85. The analysis produced p-value of .000. Based on the second hypothesis, this result shows that there is a significant effect for locally availed managers on private and government institutions, t (85) = 7.025, p < .05 on organizational performance. Results for hypothesis 2 which was testing the relationship between locally availed managers in government and private institutions and their performance in Kisii County produced a t-value which was higher than t-critical at an alpha level of .05. This led to the conclusion that there was a significant relationship between locally availed managers’ work and government and private institutions’ performance in Kisii County. This means that null Hypothesis 2 was rejected. On the other hand this showed that availing of local managers had an effect on the performance of both private and government institutions in Kisii County.

Hypothesis 3
The third hypothesis which was meant to establish whether there exists a relationship between the utilization of decentralized human resources and organizational performance in Kisii County when computed produced the following results. Based on α (.05), a df of 85 and a t-critical of 1.98, the results displayed in Table 4 indicate that t (2.166) > 1.98 and p < α (.05). From this result, it indicates that there was a significant effect for utilization of decentralized human resources, t (2.166) = 1.98, p < .05 on organizational performance. According
to this result as displayed in Table 4, null Hypothesis three was rejected. This was therefore interpreted that there was a relationship between the utilization of decentralized human resources and organizational performance in Kisii County.

10. Discussions

When a country decentralizes its socio-economic and political affairs, the human aspect forms an important component as a driving force in the decentralization platform. Decentralization of human resources management under decentralization governance is a widespread strategy in controlling organizations in both developed and developing countries. In Kisii County, human resources and its management are decentralized following the country’s official decentralization policy since 2013. Available literature reveals that decentralization and the management of decentralized human resources is associated with improvement in organizational standards hence better performance. On the other hand, Mullins (2002) links development with institutional performance and notes that a skilled work force depends largely on the achievements and outputs of organizations.

From the results of the analysis of this study, it was found out that the decentralized human resources management in private and government organizations in Kisii County had no direct significant relationship to performance. Decentralized human resource management for organizational performance is a widely conceived notion which has shown that managing the availed resources to a higher degree can have an impact on organizational outputs and outcomes. Managing decentralized human resources form an integral part in integrating activities and that it is the cornerstone of organizational effectiveness. From this study’s results, it emerged that decentralized human resources management in Kisii County has no impact on performance of organizations. However, it should be noted that there are many other factors that determine performance of organizations which were outside the scope of this study. The retaining of null hypothesis one on the influence of the management of the decentralized human resources as a factor for organizational performance on one hand has an implication that management of decentralized resources is insignificant. In other words, management of decentralized human resources has no difference with the management of centralized human resources.

Management teams as supplied by the local community where Kisii County Organizations are located and how they affect organizational performance indicate that they form an important component of decentralization process in Kenya and Kisii County in particular. From the results of the analysis it implies that their work can impact either negatively or positively. Availing of managers locally has an impact on organizational performance in Kisii County. On the other hand it means that organizations’ performance can be influenced by locally availed managers. The Kisii County community will therefore not elude the responsibility of availing managers who can perform negatively for organizations in the County. As Bray (1996) found it in Kenya, the community plays a key role in giving its institutions their face. Based on available literature as earlier revealed by Gori (200), local ideologies like “unqualified but belonging” are strong in Kisii County. It is also revealed in the statement of the problem in this study in regard to appointments within the County that a new ideology developed as from 2013 that goes “appoint if related”. This has impacts in County organizations in regard to appointment of the managers and the general employees that all have a reflection in organizational performance. Study hypothesis two was retained out of the analysis done. The implication for the retaining of null hypothesis two is that if the locally availed managers manage badly, then the organizations will perish while the opposite is the case.

Locally available human resources for use in organizations is the order of the day in many states in the world today. In Kisii County human resources for use include managers, general employees and support staff. Utilization of human resources has been advocated for and is related to having advantages that include it being cheap and easily available. However, its selection in Kisii has challenges. The results of the analysis on data collected that was seeking whether there was a relationship between its selection and utilization in Kisii County and organizational performance indicated that indeed there was thus warranting the rejection of hypothesis three. This relationship shows and implies that proper selection is paramount if organizations are to perform better. It also stands out that organizational performance is measured by the quality and quantity of output and outcomes from organizations whose workers are now decentralized.

Witziers, Bosker and Kruger (2003) and Marks and Prinny (2003) found out that management and leadership are essential for better institutional performance. In Kisii County, the community is important in availing of managers to manage decentralized human resources and that it is the management part that helps to convert the inputs into results or outputs from organizations. This is because decentralized human resources management was found to have no relationship to organizational performance but locally availed managers and utilization of decentralized human resources were found to be significant and indeed related to organizational performance in Kisii County. It is on this note that the Kisii county community that is charged with the responsibility of the availing of human resources need to select the most qualified for Kisii County organizations.
11. Summary and Conclusions
This study was about the effects of decentralized human resources management and its relationship to organizational performance in Kisii County. To conduct this research, cross-sectional research design was used along with quantitative research methodology. Three hypotheses were formulated to guide this research. Questionnaires were developed by the researcher and administered to 86 sampled employees from 11 government and private organizations in Kisii County. Analysis of data was done using paired samples t-test with the help of SPSS software. The findings revealed that there was no relationship between decentralized human resources management and performance of organizations in Kisii County. However, the findings indicated that locally availed managers and utilization of decentralized human resources had a relationship with organizational performance in Kisii County.

This study found out that human resources provided by the community play an important role in private and government organizations’ performance in Kisii County. From the findings of the study, the implication is that for organizations in Kisii County to perform well, management of decentralized resources is not a factor but proper selection of local managers and utilization of decentralized human resources has an impact on organizational performance.

12. Recommendations and Further Research
It is argued that that a major thrust in legislation has been in the development of self managing organizations under decentralization in many countries. Improvement in the performance of organizations in Kisii County requires a concerted effort from the local community, financiers, the national government and employees in this decentralization era. Based on this study’s findings, the following recommendations were made.

- Appointment of decentralized local managers should be based on merit and not on the notion “unqualified but belonging” or “appoint if related” local ideologies that are now taking root in Kisii County. Such managers should be skilled, well educated and knowledgeable on management matters and/or their areas of specialization.
- Inspection of organizations should be regular since this can be used to guide local managers in seeking better achievements.
- County Local councils in collaboration with the local communities should be set to foresee the selection and appointment of human resources to decentralized organizations in Kisii County.

References


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