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Influence of Job Redesign on Employee Commitment among Survivors of Restructuring in State Corporations in Kenya

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The influence of board functions on performance of Kenyan County governments

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Abstract

The study sought to establish the influence of board functions on the performance of Kenyan county governments. A descriptive cross sectional survey design was adopted. The target population comprised of the 44 county governments in Kenya and the County Service Boards formed the unit of analysis. The study results established a positive relationship between the board function and the county government performance. The study recommended that there is need for the County governments in Kenya to have adequate oversight board of management to monitors the operations in the county and ensure performance is communicated to county members and stakeholders.

Keyword: *Board Function and Performance*

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1.0 INTRODUCTION

A. Board Function

The board function is a corporate governance mechanism and control instrument to converge shareholders and management interests. Boards act as a representative of shareholders and are considered as a major decision-making group. Boards are expected to perform different functions, for example oversight, evaluation, monitoring, assurance services of management to mitigate agency costs. They also include hiring and firing of management, provide and give access to resources, grooming CEO and providing strategic direction for the organization (Kemp, 2006). Boards also have a responsibility to initiate organizational change and facilitate processes that support the organizational mission. Further, the boards seek to protect the shareholder‟s interest in an increasingly competitive environment while maintaining managerial professionalism and accountability practices in pursuit of good organizational performance (Donker & Sahir, 2008).

The Cadbury Committee (1992) defines governance structures as a system, by which organizations are directed, controlled and power exercised in the management of economic and social resources for sustainable development. It also involves a set of relationships in an organization; between its management, board, shareholders and other stakeholders Organization of Economic Corporation and Development (OECD) (2004). It deals with the question of performance accountability and limitations on managers‟ discretion and accountability (Demb and Neubauer, 1992). The constitution of Kenya (COK, 2010) article 174, created 47 county governments‟ devolved structure. According to this article each county shall have its own county service board of not less than three but not more than five members. This board functions includes monitoring, control systems give assurances, oversight, provide checks and balances and consultancy that add value to county management. This study therefore, is an attempt to interrogate how board functions can independently influence performance of county governments in Kenya.

B. Organizational Performance

Organizational Performance is generally defined as the achievements of programs by an organization in terms of the outputs and outcomes that they produce (Kayhko, 2011). Organization Performance is whether organizations resources have been used in the intended way in order to achieve efficiency effectiveness, and fairness (Hubbard (2009). It also includes Economy in acquiring resources in appropriate quantities and at least cost, whilst efficiency is maximizing output for a given set of inputs, or minimizing inputs for a required output (Alexander, 2010).

Organizational performance relates to efficiency, effectiveness, financial viability and relevance of the organization. Effectiveness is concerned with the unique capabilities that organizations develop to assure achievement of their missions while efficiency is the cost per unit of output that is much less than the input with no alternative method of the input that can go lower for same output (Machuki & Aosa, 2011). Financial viability is the organization‟s‟s ability to survive; that is an organization inflow of financial resources must be greater than the outflow (Elsayed, 2011). According to Kaplan and Norton (2008) measurement of performance has evolved over time from traditional financial measures which focused only on the

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~~shareholder to stakeholder based approaches to the balanced score card. The organization w~~as viewed as belonging to shareholders, therefore, shareholder theory, which uses shareholder return to investments were to measure overall organization performance dominated organizational performance measurement systems (Hubbard, 2009).

C. Kenyan County Governments

The county government as a public sector consists of government ministries, departments and agencies that carry out activities on behalf of the Kenyan government for the benefit of the public. The county government as public sector organizations is established to correct central government failures (GoK, 2013). This is where the service they give cannot be profitably provided by private investors. In some other instances county government organizations meet explicit social, political and regulatory objectives. These include education, health or even redistributing income and develop marginal areas (Obong‟o, 2009). There have been concerns of inefficiencies, poor allocation and utilization resources as well as poor governance structures in the county government sector leading to falling public service delivery. This has necessitated, from time to time, devolution reforms such as the county government.

The promulgation of the Constitution of Kenya 2010 (2010) on 27 August 2010 paved way for devolved government specifically provides for the setting up of the 47 county governments. Devolution entails the ceding of power from a central authority to local authority, powers of revenue collection and expenditure among others. The constitution of Kenya (CoK, 2010, article 174 to 187) deals with county governments, board functions, and governance accountability practices and gives prominent status to county governments shareholders as the owners of the county. In effect, the county shareholders have the right to treat the county as a vehicle to maximize the return on their investment and service delivery. The article gives county boards the roles to ensure that the county respects its legal and contractual obligations to stakeholders groups. It is also fully within its rights to oversight governors to consider the ultimate purpose of the county to be the maximization of welfare and shareholder value (CoK, 2010). Accountability issues, county board functions, county governance structures, and their performance have constantly been and still are pertinent issues that need to be addressed by both shareholders and stakeholders alike. Therefore this study seeks to interrogate relationship between board functions, accountability practices, and governance structures on performance of county governments in Kenya County.

D. Value of the Study

The starting point in all studies is to focus on the fact that the ultimate goal is to add something of value to the body of accumulated knowledge and in this case accumulated business and management knowledge (Remenyi et al., 1998). Furthermore, potential contribution of research can be explained in terms of both academic and practical contribution (Johnson, 2007). The former is made if research extends our ability to understand phenomena (Remenyi et al., 1998). In academic perspective, the present research will contribute to a better understanding of board functions effecting organizational performance. From a practical point of view, this study can contribute to fostering an understanding and awareness of board functions impacting on accountability practices, governance structures and organizational performance.

Conceptuially, to the best of the researcher‟s knowledge, to date, no study has investigated corporate performance either in developed or developing countries using an integrated

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~~framework. Specifically, this study attempts to explore corporate performance from~~ four integrated perspectives: (i) board functions (ii) accountability practices (iii) governance structures (iv) performance using a qualitative research design. Therefore, the developed integrated framework provides new insights in studying corporate governanceperformance. Thus, the findings of this study pave the way for the use of the integrated approach by establishing evidence of corporate performance in Kenya.

Theoretically, the study contributes to the literature by adopting a multiple-theoretical framework to interpret the empirical findings and to understand corporate governance behaviour in depth. It has been noted that existing studies on corporate governance usually adopt agency theory despite the importance of using other complementary corporate governance theories (Filatotchev and Boyd, 2009; Chalevas, 2011; Zattoni *et al.*, 2013). Zattoni *et al*. (2013) suggest that the mixed findings obtained by corporate governance studies are a result of adopting only agency theory. Therefore, this study contributes by explain how to use multiple theories in interpreting the empirical findings and add to the ever growing body of knowledge on board functions, accountability practices, governance structures and organizational performance. Theories such systems theory, agency, resource dependence, institutional, and innovation theories are likely to benefit from the findings of this study. This study is also going to make contribution to managerial practice on roles of board, accountability practices, and governance structures and aligning organizations performance to managerial practices.

To policy makers, the findings of this study will likely add to the existing policy tools that may guide governance of Kenyan County governments and shade empirical light on accountability practices and governance structures on the relationship between board functions and organizational performance. In practice, the findings could therefore be used to support or refute this argument and in effect shape, tighten or guide policy review on these variables within the Kenyan county government‟s context. To scholars and researchers, the study will act as a springboard to identify research gaps that need to be addressed in the management science as the basis for other relevant researches.

The findings of this study will add to the existing policy tools that will guide stellar performance of Kenyan county governments. The ongoing devolution and restructuring of Kenyan county governments is guided by arguments of poor governance structures, weak and ineffective board functions, and weak accountability practices and institutional capacity to attract and retain skill sets needed to drive performance and an inadequate performance management framework among other issues.

This paper has empirically confirmed some and refuted other arguments. This means that as the national government seeks to use her county governments to drive its Vision 2030 agenda, the findings of this study will complement available data in guiding towards effectively linking performance of individual county government to available board functions. The role of governance structures in this relationship can also be borrowed from this study. The current tool for measurement of performance in the organizations can also be reconsidered

There is need to finding a proper link of board functions among the mounting needs of county governments. County governments will use findings of this study to identify which board functions have a higher influence on performance than others and thus use them for enhancing performance. Managers will also benefit from the findings on how accountability practices and

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~~governance structures impact on the relationship between board functions – accountabi~~lity practices and performance thus establishing a proper fit.

1.1 Problem Statement

Management has been systematically studied for more than half a century. Within the extensive literature, there are a few studies that have tried to capture the roles of managers, including the popular works from Mintzberg (1973) and Drucker (1973). Although the work of managers is constantly examined over the years, there is no consistent and systematic study of the roles that another leadership group of organizations has that is the board of directors. Hence, the motivation for the current study was given by realizing the potential interest that could arise for a detailed and thorough analysis of board functions.

After the early research period, it was found that different theories/perspectives are used in the literature trying to understand the phenomena in question, although the two dominant ones are agency theory and resource dependence perspective. The agency theory is important as it discusses the principal-agent relationship, which can be controlled with the board of directors. On the other hand, the resource dependence perspective is also at the centre of corporate governance agenda as it considers the board of directors as a critically important mechanism that connects the organization with the external resources available. For example, the board directors, can provide links with financial institutions or regulatory bodies. Moreover, while researchers, scholars and practitioners agree on the importance of the board of directors in ensuring the long-term well being of organizations, there is no study that has been carried with focus on the county government performance in Kenya with respect to board function. As such, this study was motivated to thoroughly research the area and achieve a contribution in the field of corporate governance and aimed at ascertaining the influence of board functions on performance of Kenyan County governments.

The study sought to test the following hypothesis:

$H_0$1: There is no significant relationship between board functions and performance of Kenyan County governments.

2.0 LITERATURE

2.1 Theoretical Review

2.1.1 Managerial Hegemony Theory and Board Functions

According to the managerial hegemony theory, boards of directors are mere statutory additions that play a passive role in the process of directing corporations (Kosnik, 1987). It is on this basis that the theory considers boards as being ineffective when solving conflicts of interests that arise between stockholders and management teams. The theory considers boards as being just „another management dominated tool‟ (Pfeffer, 1972) and a compliant rubber stamp for management proposals and decisions (Vance, 1983). The theory argues that management teams possess superior expertise and information and that they select directors whose knowledge of the firms is limited and who comply in rubber- stamping the management decisions (Estes, 1980; Herman, 1981). Moreover, the management teams limit the ability of external directors, themselves devoting little time to the activities

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~~of the firm, to raise independent opinions (Herman, 1981). This way, the management teams~~ operate under shadow boards (Lorsch & MacIver, 1989).

2.1.2 Agency Theory and Board Functions

Agency theory has been used to explain the need for the board in nonprofit governance research (Miller-Millesen, 2003; Cornforth, 2003; Brown, 2005). Scholars have primarily utilized the agency perspective to discuss a nonprofit‟s adherence to mission or purpose. From a legal stand point, boards of directors must fulfill a duty of obedience, which essentially means that the directors are responsible to ensure that the organization fulfills its public responsibility as reflected in its organizational mission (Cornforth, 2003; Brown, 2005). Thus, boards are key actors that connect the monitoring and accountability function by actively linking decision making to organizational mission.

2.1.3 Stewardship Theory and Board Functions

This theory is used to explain the relationship between the board and company executives and managers. Unlike the agency theory, the stewardship theory is rooted in psychology and sociology; it is based on the premise that company executives and managers, acting as stewards of shareholders, are to protect and make profits for the shareholders (Davis, Schoorman & Donaldson, 1997; Lane, Cannella & Lubatkin, 1998). Abdullah and Valentine (2009) argue that company stewards tend to integrate their goals with those of their firms in order to become more satisfied and motivated when the firms succeed. On this basis, the theory considers boards and CEOs to be not only pro-organisational but also to exhibit cooperative behaviours, and to be motivated to act in the firms‟ best interests as opposed to their own selfish interests (Clarke, 2004; Hunger & Wheelen, 2010; Mallin, 2010). This is because, over time, senior executives tend to view a firm as an extension of themselves (Clarke, 2004; Hunger & Wheelen, 2010). Therefore, the stewardship theory argues that, compared to shareholders, afirm‟s top manager‟s care more about the firm‟s long-term success (Mallin, 2010).

2.2 Empirical Review

2.2.1 Board Functions and Organizational Performance

Board role performance is generally denoted as a board‟s ability to perform its roles (Bhagat & Romano, 2011). Based on the literature, there are four board roles: monitoring; service; strategy and resource provision (Carter & Simpson, 2003; Boun, 2004; Alexander, 2010). Alexander et al., (2010) remarked that In addition to the monitoring role, directors fulfill resource, service, and strategy roles. Research may yield more productive results if all the four separate roles are studied together.

Monitoring is a very crucial board role as the apex of the internal control system (Mallin, 2010; Hyndman, 2011). The monitoring role comprises of aspects such as how CEOs are chosen and rewarded; evaluation of CEOs and company performance and how shareholders‟ wealth can be maximized (Elsayed, 2011). A board is presumed to carry out the monitoring function on behalf

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~~of shareholders, because the shareholders themselves may find it difficult to exercise con~~trol due to the wide dispersion of ownership of common stock.

The theoretical premise of the monitoring role comes from the agency perspective. In this perspective, boards have to monitor the top managers in view of the potential conflicts between the shareholders (or owners) and the managers (Fama & Jensen, 1983; Alexander, 2010). The problem of monitoring is hence endemic to most large corporations with diffused ownership, because an individual shareholder lacks sufficient stake in the firm to justify spending resources to closely monitor managers. This often leads to a free rider problem, as shareholders, individually, attempt to "free ride" on others to monitor managers (Elsayed, 2011). In countries with weak external mechanisms (for example, takeovers, divestures and ownership amendments) and presence of large block holders, the monitoring role of board will inevitably become more crucial (Golden & Zajac, 2001).

The board service role pertains to directors giving advice to top managers and promoting the reputation of the company externally (Alexander, 2010; Elsayed,2011). Agency theory proponents argue that directors facilitate management decisions by providing valuable advice to CEOs and managers (Fama & Jensen, 1983). Stewardship theorists also argue that to enhance board-management relationship and decision-making, directors should offer candid advice and be confident that executives will consider their views (Tomasic & Bottomley, 2003).

Based on accounts from directors and managers, directors do devote a considerable proportion of time and support to advising the CEO (Spira & Bender, 2004). The service role is most visible in organizations where board monitoring is less required as a result of strong alternative monitoring forces such as product and managerial labor market (Fama & Jensen, 1983). It may also be especially important in small and entrepreneurial firms. Specifically, managers could benefit from the breadth of knowledge that outsider directors provide (Dalton & Johnson, 1998; Googwin & Seow, 2003).

The board‟s role in strategy ranges from articulation of strategy mission to review of strategy implementation (Gayle & White, 2003). The strategy role can be undertaken in four ways: (a) through setting and actively reviewing the corporate definition - the "what business are we in" question; (b) through the gate keeping function- actively assessing and reviewing strategic proposals, and often changing proposals through comment and advice; (c) through confidence-building encouraging managers with good track records in their strategic aims and (d) through the selection of directors- the outcomes of which send strong signals to the rest of the organization concerning the type of person who succeeds and the standards others have to attain.

The resource provision role refers to the ability of aboard in bringing resources to the company. Its theoretical underpinning can be traced to Pfeffer‟s (1973), and Pfeffer and Salancik‟s (1978) research on resource dependence. The researchers argued that a director is expected to bring benefits to the organization. These benefits include providing legitimacy (Adjaoud & Andaleeb, 2007); providing experience (Baysinger & Hoskisson, 1991) linking the firm to important stakeholders or other important parties (Hillman et al., 2001; Pfeffer, 1973) and facilitating access to resources such as capital (Pfeffer, 1972; Mizruchi & Stearns, 1988).

The study aims to examine the independent effects of board‟s functions on organizational performance with respect to county governments in Kenya as the public sector. Evidence of

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effects and relationships between board functions and organizational performance, or lack thereof, will enable county governments to make appropriate choices about board functions to create and improve county government‟s performance.

2.3 Conceptualization

Board Function

- Responsibility to Strategic Direction
- Provision of Resources
- Monitoring/ Control Function

→

County Government Performance

Independent variable **Dependent Variable**

3.0 METHODOLOGY

The study used a descriptive cross sectional survey design. The target population of the study was all 44 county governments in Kenya and the unit of analysis was County Service Boards. Two respondents per a county were targeted to respond to the questionnaire (88 respondents). One questionnaire targeted two county service board members (the chairman and the secretaries or board member in the absence of the chairman or secretary) to collect internal views on county service board functions. The study collected both primary and secondary data. The data was largely quantitative in nature. The regression equation used took the form below:

$Y = \beta_0 + \beta_1 X_1 + E$ where Y = Performance of county government of Kenya, β_0, β_1 are coefficients, X1 was the board functions and E was the error term.

4.0 FINDINGS

To establish the reliability of the research instrument, factor analysis was carried out and the findings are as shown in Table 1. Also included is the reliability test result. Cronbach‟s alpha was 0.712.

Component Matrix of Boards Function

Statement	**Component**
The county board has the evaluation mechanisms of county activities	0.4624
The board ensures that the County‟s accomplishments are communicated to county members and stakeholders	0.7641
The County has had adequate oversight board of management	0.6286
The county board monitors the operations in the county	0.8303
The county board has the evaluation mechanisms of county activities	0.6827
Reliability Statistics of Boards Function	
Cronbach's Alpha	**Number of Items**
.712	5

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~~I. Organizational Demographical Profiles~~

This section presents personal information of the respondents who participated in the research study.

A. Gender Distribution

There was a fair balance of gender participation in the study. The results in Table 2 shows majority of the respondents 63.9 percent were male while 36.1 percent of the respondents were female. This is a good distribution which depicts a unfair balance of gender.

Table 2: Distribution of Respondents by Gender

Gender	**Percentage (%)**
Male	63.9
Female	36.1
Total	**100.0**

B. Age Distribution

The study sought to establish the age of the respondents, the results in Table 3 shows most of the respondents 51 percent were aged 50 years and above, 46.0 percent were aged between 40 and 49 years, while 3.0 percent were aged between 31 and 39 years.

Table 3: Distribution of Respondents by Age

Age	Percentage (%)
Below 30 years	0.0
31 – 39 years	3.0
40 – 49 years	46.0
50 years & above	51.0
Total	**100.0**

C. Education Level of the Respondents

Table 4 shows the level of education of respondents was sought and majority 65.6 percent had bachelor degree, 24.7 percent had higher diploma, and 3.2 percent had post graduate education level, 6.40 percent professional qualifications.

Table 4: Education Level of the Respondents

Education Level	**Percentage %**
Bachelors degree	65.60
Higher diploma	24.70
Post graduate degree	3.20
Professional qualifications	6.40
Total	**100.00%**

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Correlation Analysis

Correlation Analysis for Board Functions

Pearson correlation coefficient was used to gauge the relationship between board function and correlation analysis. The results indicated that board function have a significant positive relationship with county government performance. This was indicated by Table 4.20, which show that the p-value was at p = 0.000 and this meets the threshold since p<0.05. According to Armitage and Berry (1994) correlation values of r, 0-0.19 are regarded as very weak, 0.2-0.39 as weak, 0.40-0.59 as moderate, 0.6-0.79 as strong and 0.8-1 as very strong correlation.

The strong positive relationship was represented by correlation coefficient of 0.666, and the number of respondents considered was 33. The results corroborates with the findings of Shuck et al, (2011) which indicated that board functions influence organizational performance.

Table 5: Board Functions Correlation Result

		Board Functions	County Government Performance
Board Functions	Pearson Correlation	1	.666(**)
	Sig. (2-tailed)	.	.000
	N	33	33
County Government Performance	Pearson Correlation	.666(**)	1
	Sig. (2-tailed)	.000	.
	N	33	33

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

Regression Analysis

Regression Analysis on Board Functions versus County Government Performance

H_{01}: There is no significant relationship between board functions and county government performance

The model Y = β0 +β1X1 + ε was subjected to testing using linear regression to establish whether board function was a predictor of County government performance.

The model is presented algebraically as follows:

County government performance = β0 +β1 (board function) + ε

Where: - Y was the dependent variable (County government performance), β0 was the constant and β1 was the coefficient of the independent variable and ε was the error term.

Table 6 presents the regression model on Board functions versus County Government performance results. As presented in the table, the coefficient of determination R square is 0.2321 and R is 0.4818 at 0.05 significance level. The coefficient of determination indicates that 21.27% of the variation on county government performance is influenced by board function.

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~~This implies that there exists a positive significant relationship between Board functions~~ and County Government performance.

Table 6: Model Summary (b)

R	R Square	Adjusted R Square	Std. Error of the Estimate
.4818a	0.2321	0.2127	0.17498

Source: Author (2016)

The Analysis of variance (ANOVA) results as shown in Table 7 further confirms that the model fit is appropriate for this data since p -value of 0.000 which is less than 0.05. This implies that there is a significant positive relationship between board functions and county government performance

Table 7: ANOVA (b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.1413	1	63.1413	2062.21	$.000^b$
	Residual	1.0104	31	0.03062		
	Total	64.1517	32			

The results further indicate that board functions have positive and significant effects on county government performance (Table 8). The fitted model Y= 0.3745 + 0.9942*X1. This implies that a unit change in board functions will increase county government performance by the rate of 0.9942. Even when board functions are non-existence, county government performance is still positive at 0.3745 indicating that there are other drivers of performance in the county government including accountability practices and Governance Structures.

Table 8: Coefficients, Optimal Regression Model

	Coefficients	Std. Error	t	Sig
Constant	0.3745	0.09879	3.7914	0.00061
Board functions	0.9942	0.02189	45.4115	2.5E-31

In terms of significant associations found between board functions and county government performance with regard to the entire tested sample it concluded that: the hypothesis I, “There is no significant association between board functions and county government performance” is rejected and alternative hypothesis, “there is significant relationship between board functions and county government performance” is accepted. This corroborates findings by Appelbaum et al., (1997) who found that board function affected organizational performance in Nigeria.

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Board Functions and Performance of County Governments in Kenya

The first objective of the study was to establish the influence of board functions on performance of Kenyan county governments. The study results showed that the coefficient of determination R square was 0.2321 and R was 0.4818 at significance level of 0.05. The coefficient of determination indicated that 21.27% of the variation on County Government Performance is influenced by board functions. The results also showed that there exists a positive significant relationship between board functions and County Government performance in Kenya. This finding corroborates with Gabrielsson and Winlund (2000) findings that showed that board" functions provided governance mechanisms to county performance, ensured that the County"s accomplishments are communicated to county members and stakeholders and that the board monitored county governance and performance. Notably, the results showed that board functions explained 30 percent of performance.

The study concludes that board functions significantly influenced the performance of county government in Kenya.

Implications of the Study

The driving force of devolved governments in Kenya reforms is to meet the service delivery, improved accountability practices, better governance practices and enhanced performance of the county governments. This study encourages county governments in Kenya to take a more comprehensive approach to perfect their county service board functions, accountability practices and governance structures/system to improve county performance. That is, this study looked at the combative effect of accountability practices and governance practices on the relationship between county service board functions and performance of the county governments in Kenya. Therefore, these findings have made several contributions to the study of corporate governance. Firstly, the study constructs public sector performance from the perspectives of board functions, accountability practices and governance structures.

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Limitations of the Study

Limitations refer to those characteristics that limit the scope and define the conceptual boundaries of the research determined by the conscious exclusionary and inclusionary decisions about how what is studied and why, alternative approaches that could have been used to examine the research topic were rejected.

All the primary data collected for this study was collected through the questionnaire by means of self-reporting. The study relied on the respondent„s information. It has been established that this method provides validity challenges in same cases. This could have been compounded by another limitation of the identity of the researcher who happened to be a senior government official. Such knowledge could easily lead to biases in reporting. To mitigate this, the researcher did not disclose his identity on his introductory letter; neither did he call organizations for entry. He also limited his role in data collection to that of training research assistants and coordinating their activities.

The geographical vastness of the county governments posed a challenge of access. While several of them have offices within towns some were located remote areas having poor communications such as Mombasa, Kisumu, Lamu, Turkana, Samburu, Isiolo, Mandera, Wajir, Garissa, Tana River, and Marsabit To mitigate this limitation, the researcher assigned three research assistants who were well trained to deal with the respondents. Additional resources had to be committed for travel and accommodation costs for the research assistants for dropping, follow up and picking since most respondents preferred hard copy questionnaires hand delivered to and picked from them.

The design of this study is cross-sectional. This limits the ability to determine conclusively causation among board functions, accountability practices, governance structures and county performance. Tecker, Frankel and Meyer (2002) provided an example of a possible two-way relationship between structure and process. They noted that in the traditional view, board structure will affect the process of the board. On the other hand, a good board process can have an impact on who is willing to serve on the board.

Similarly, effective board functions, accountability practices, governance structures and county performance board role performance can also induce more competent people to serve on the board and bring about quality board process. However, to test for such causality relationships, longitudinal studies are needed (Engle & Granger, 1987).

The empirical study was carried out using county governments in Kenya. Using this category of county governments has two main advantages. In the first place, counties governance reforms have been focused on issues of control mechanisms, governance structures, and

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~~accountability practices are likely to be most acute. Secondly, as county governments~~ are required to provide annual reports and accounts, as well as their comprehensive disclosures on board information, they serve as a suitable sample to test the research hypotheses. In view of this, generalizing the study findings to other types of firms, such as private companies or nonprofit organizations, should be treated with caution.

Some county governments were undergoing restructuring of their county service boards. Some had been earmarked for restructure, others dissolved while others were yet to start functioning in the County governments. The study opted for criterion based sampling to eliminate these counties from the population. The counties not included in the study may have left out vital perspectives and contributions to this study. However, those which remained were representative enough of the entire population and were well spread across the vital demographic indicators such as years in operations and budgets they controlled. This implied that the research design was not compromised.

Researchers using questionnaires examine few variables and utilize many cases, and analyze organizations from a distance. The advantages of such studies are the potential generalizability of the results and the reliability of the methods. As argued by Lawler (1985), some kinds of knowledge and theory can be generated only by comparative study of populations of persons, groups, and organizations rather than a single case; some require distancing from and abstractions from the phenomena under study.

However, questionnaires capture only a small segment of organizational complexity, thereby lacking, in the eyes of practitioners, a comprehensive understanding of the phenomenon under study. Furthermore, in this study, the variables are measured on a self-rating basis which raises questions about the validity of the findings. To minimize the survey bias, it is thus explained in the invitation letters assurances of confidentiality and anonymity, the aim of the study and emphasizing that no individual cases will be identified.

Moreover, to reduce the survey bias, an attempt is also made to extend the original conceptual model with firm performance as a dependent variable. Significant relationship between the independent variable (board functions, and county performance) is found. A possible reason could be the nature of data. In attempting to measure the effects and relationships among board functions, accountability practices, governance structures and county performance directly, a cross-sectional approach is used in this study. More time-series of board functions, accountability practices, governance structures and county performance data will be needed before a more rigorous test between board functions, accountability practices, governance structures and county performance could be attempted.

Another major limitation of the study pertains to the constraints imposed by the sample. While the response rate of 75 per cent may be regarded as acceptable, 75 percent of the county governments county service boards surveyed had only one respondent. Attempts to increase the number of respondents per county through telephone calls and survey reminders were not successful. Some county governments often noted that they will assign one board member to take care of such surveys. As a result, there is a high possibility of sole respondent bias.

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~~To validate some of the findings, face-to-face interviews were conducted. But, in view of~~ the small number of respondents (1 representative, county service board secretary or any board member), these selective interviews can only be regarded as partial validation.

The study only integrated only four important variables of board functions, accountability practices, governance structures and performance. However, there is a variety of other important variables that have important effects on performance and are not included in this framework, In addition, this study only investigated some the board functions,, evaluation, oversight, monitoring and controls‟ however, other characteristics (such as age, education, gender and so on), including board size, share ownership, frequency of board meeting and board remuneration might also strongly influence the relationship between accountability, governance and organizational performance. Despite the above limitations, the quality of the study was not compromised. The study has made an immense contribution to the existing body of knowledge, especially in the area of corporate governance which has not been fully exploited.

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