Conference Proceedings

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Editors

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Foreword

Dear Authors, esteemed **r**eaders,

It is with deep satisfaction that I write this foreword to the Proceedings of the Kabarak University 8th Annual International Research Conference held between 22nd and 26th October at the Kabarak University Main Campus in Nakuru, Kenya. This conference focused on the thematic areas of computer, education, health, business and music and attracted a great number of paper and poster publications. The conference also featured workshops in the areas of blockchain and digital skills for business. The participation of developing academics, undergraduate students and graduate students was particularly encouraged in this conference.

In addition to the contributed papers, the conference featured a number of invited keynote and guest speaker presentations as follows;

- Mr John Walubengo, Dean Faculty of Computing at the Multimedia University of Kenya and a member of the Artificial Intelligence and Blockchain Taskforce.
- Mr Derrick Rono, Senior Systems Developer with Andela Ltd and our Kabarak University Computer Science alumni
- Mr John Karanja, Chief Executive Officer, Bithub Africa
- Ms Roselyne Wanjiru, Education Program Coordinator EOS Nairobi, representing Mr Daniel Kimotho, Community Lead EOS Nairobi
- Ms Rosemary Koech-Kimwantu, Legal and Regulatory Specialist at Oxygene Marketing
- Dr Julius Jwan, the CEO Kenya Institute of Curriculum Development
- Prof Ruth Otunga, Deputy Vice Chancellor, Academic Affairs, University of Eldoret.
- Dr Edward Nzinga, Senior Lecturer, Instruction and Curriculum Design Scientist, Pan Africa Christian University.
- Prof Peter Anyang Nyongo, Governor Kisumu County
- Prof Michael Kiptoo, CEO, Kenya Medical Training College.
- Dr Geoffrey Wechuli, Head, Department of Family Medicine, Kabarak University
- Mr Onesmus Kamau, Head of eHealth, Ministry of Health
- Ms Edna Tallam-Kimaiyo, CEO Nursing Council of Kenya
- Mr Davis Njuguna Kamau, Director, East Africa Chamber of Commerce, Industry and Agriculture
- Mr James Kaka, CEO Kakajames Enterprises Ltd
- Mr Janet Lagat, CEO Hortigrid Ltd
- Mr Raphael Osoro, CEO Sunsareg Solar Ltd
- Mr Kirori Mindo, CEO Qmax Digital Ltd
- Prof. Kimberly Carballo: Coordinating Opera Coach and Collaborative Piano, Jacobs School of Music, Indiana University
- Dr Evelyne Mushira. Deputy Director, Permanent Presidential Music Commission
- Mr Reuben Kigame; Renowned Gospel Artist and Founder of Sifa Voices International
- Ms Caroline Wanjiku, A renowned Comedian aka “Teacher Wanjiku”

I trust that these proceedings will provide researchers with an excellent source of new and relevant knowledge in their respective disciplines. We thank all authors and participants for their contributions.

Dr Moses M Thiga

Director, Research, Innovation and Outreach

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Assessment of Factors Influencing Retention of Teachers in Private Secondary Schools in Nakuru Sub County, Kenya

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Abstract
The purpose of the study was to assess the factors influencing teacher turnover in private secondary schools in Nakuru Sub County. The objectives of this study were to assess the extent to which remuneration and Organizational culture contribute to teacher turnover in Private secondary schools in Nakuru Sub County. The study was guided by the Herzberg's motivation theory and Vroom's Expectancy theory. Descriptive survey research design was used. Stratified sampling was used to select a total of 18 private secondary schools and purposive sampling was used to pick 116 teachers out of a total population of 19 schools and 238 teachers. Primary data was collected by administering pretested structured questionnaires to respondents and analyzed using descriptive and inferential statistical techniques.

The findings indicate that organizational culture has no significant influence on turnover of teachers in private secondary schools in Nakuru Sub County (-0.137). Remuneration was found to have significant influence on teacher turnover in private secondary schools in Nakuru Sub County (0.442**).

The study recommended that Turnover rate should be monitored and considered important in policy formulation regarding Human Resource factors and organizational factors since it will help management in retaining their teachers. Rewards and any benefits should be awarded on merit and experience in order to help in retention.

The salaries of teachers need to be increased, which will not only retain the present teachers but also attract teachers from other schools as well. Schools should identify those benefits which have more influence on teacher retention. Furthermore, Schools need to revisit their present benefits package to identify those benefits which are not useful in order to replace them. Schools must conduct "stay" and "exit" interviews to understand as to why teachers choose to leave. This information will help in understanding the reasons why teachers leave and mitigate on them.

Key words: Organizational Culture, Remuneration, Private Secondary School.

1. Introduction

Employee turnover is the rate at which employees are leaving a firm on an annual basis. It can be expressed as a percentage, by dividing the number of employees who have left over the year by the total number of employees who were with the firm at the beginning of the year. It is believed that an annual employee turnover of 25% is considered normal. But a turnover rate of 100% is usually considered a major problem because disproportionate employee turnover in an organization is a sign of existence of internal problems. The main reason for this is because certain professional skills involve the use a lot of resources and usually take long to build. Consequently, a loss of such professionals will always have profound negative impact on the organization (Cole, 2002).

Employee retention issues are emerging as the most critical workforce management challenges of the modern world. Well managed organizations monitor employee turnover rate because as turnover rate increases, the cost of replacement and loss of productivity increases (Gomez-Mejia, Balkin&Cardy, 2010; Fisher & Shaw 2009). However, a lack of job satisfaction among employees not only leads to high turnover rates but could also have detrimental effects on the individual, like burnout (Mrayyan, 2005). There is a consensus among scholars that organizations experiencing employee turnover either benefit or suffer the cost of turnover depending on the various factors having an influence on employee turnover (Koech, 2011; Susu, 2008). In most cases, these factors are very disruptive and can be costly when their effects are not identified and can cause chaos in the organization if not really maintained to a minimum level. But if well maintained, it helps in retaining the best employees that will in turn improve their performance and subsequently result in enhanced productivity in the organization.
From an organization point of view, retention doesn't mean trying to hang on to each and every employee forever. It means keeping good employees for the most appropriate amount of time for their particular function or level. Gupta (2016) posits that one thing that retention is not is continuing to invest in employees who, for whatever reasons, aren't contributing in positive way to the company. The importance of retention can also vary widely from culture to culture. For instance, in some countries, employees tend to stay at one company for their entire professional lives, while in other countries, they move from firm to firm often, depending on available opportunities and their interests and priorities. Even within one culture or country (or within one geographic region), attention to keeping good employees may fluctuate, depending on economic conditions and shifting workplace realities (Waldroop, 2010).

Retention of key talent — those employees who are the strongest performers, have high potential or are in critical jobs — is even more important during economic recoveries when organizations compete aggressively for market share and talent. Key talent disproportionally contributes to current organization performance and to future performance since key employees often become organization leaders. Losing key talent costs considerably more since these employees' impact and contribution are greater than that of typical employees. Estimates suggest that the cost of employee turnover often ranges from 50% to 200% of the employee's annual salary based on the type and level of job he/she holds. These costs are substantial for even medium-sized organizations that have moderate rates of turnover (Allen 2008, Cascio 2010, O'Connell& Kung 2007).

Gordon (2009) predicts that talent shortages are going to increase well into the next decade, limiting the ability of companies to expand and, in fact, jeopardizing their chances of survival as global competition becomes more intense. These long-term shortages are the result of Baby Boomers retiring, the increasing specialization and technical demands of jobs, global competition for talent and education systems not keeping up with the demands of businesses.

Employees retaining is the most imperative target for the organization because hiring of qualified candidate is essential for organization but their retention is more important than hiring, because a huge amount is spend on the orientation and training of the new indicated employees. Research finds that the cost of replacing of old employees with new is estimated up to twice the employee annual salary. When Employees leave the job, organization lose not only the employee, but also lose the customers & client who were loyal to the employee, knowledge of production, current projects, competitor and past history of the organization. The organization then makes enormous efforts to attract handfuls of employees and sustain them in the organization. In today's business scenario only high salary and designation is not significant for employees to retain them in the organization, but other factors also play important roles in their retention (Gupta, 2016).

Employee turnover in organizations may manifest in four ways. Voluntary turnover occurs when an employee voluntarily chooses to resign from the organization. Involuntary turnover occurs when the employer makes the decision to discharge an employee and the employee unwillingly leaves his or her position. Functional turnover occurs when a low performing employee leaves the organization. It reduces the amount of paperwork that a company must file in order to rid itself of a low-performing employee. Dysfunctional turnover on the other hand occurs when a high-performing employee leaves the organization. This study seeks to assess factors that lead employees to leave their jobs voluntarily.

Bidisha and Mukulesh (2013), Observed that the long term health and success of any organization depends upon the retention of key employees. Baker, (2006), gave stress on the fact that hiring new employees are far difficult as well as costlier than to keep the current employees in the organization. Kaliprasad, (2006), pointed out that an organization's ability to retain its employees completely depends upon its ability to manage them. He found out four interlinked processes that can be utilized for an effective Human resource management system: the motivation process, the interaction process, the visioning process and the learning process. Kaliprasad, (2006), also confirmed that despite the fact that an organization may try to bring all these factors into play to enhance employee retention, an employee can still choose to leave the work place because of, for example, bad management. The main purpose of retention is to prevent the loss of competent employees from the organization as this could have adverse effect on productivity and service delivery (Samuel &Chipunza, 2009)

Teacher turnover is a global challenge and by its nature, it is an extremely complex occurrence that is influenced by several factors like organizational factors, personal factors and community factors, (Ingersoll, 2001). Research has revealed that teacher turnover in developed countries is a common problem and according to Herbert and Ramsay, (2004) and Ingersoll (2002), this occurrence is on the rise in the USA. In countries like Britain, Sweden, Germany and New Zealand it has been reported that workforce shortages in schools is a major problem (Allen, 2012; Santiago & Mackenzie, 2005).

In the developing countries, teacher turnover is also a matter of concern. Countries such as Nigeria, Zambia, New Guinea and Malawi have reported high rates of teacher turnover while in Gambia, there is a massive exodus of teachers from the profession owing to such factors as lack of adequate salaries, allowances, housing and promotion, (Xaba, 2003). Koech, Tikoko and Chemwei (2014) found that high employee turnover is a common occurrence in the teaching profession in Kenya. Poor remuneration has often been given as a cause of low morale among teachers, but literature shows that salary is not a sufficient condition for job satisfaction.

1.2 General Objective of the Study

The general objective of the study is to assess factors influencing turnover of teachers in private secondary schools in Nakuru Sub County. The specific objectives of this study are:

i) To establish the extent to which organizational culture influence teacher turnover in private secondary schools in Nakuru sub county.
ii) To establish the extent to which remuneration influence teacher turnover in private secondary schools in Nakuru sub county.

1.3 Hypotheses of the Study

$H0_1$ Organizational culture has no significant influence on teachers' turnover in Private Secondary Schools in Nakuru Sub County.

$H0_2$ Remuneration has no significant influence on teachers' turnover in private secondary schools in Nakuru Sub County.

2. Theoretical Review

Expectancy theory is widely used in turnover intentions (Vroom 1964, Porte& Lawler 1968, Lawler 1994). Basic to the idea of expectancy theory is the notion that people join organizations with expectations and if these expectations are met they will remain members of the organization (Daly & Dee 2006). According to turnover and retentions frameworks developed from this theory decisions to stay or leave an organization can be explained by examining relationships between structural, psychological, and environmental variables. Structural variables include, work environment, autonomy, communication, distributive justice and workload. Psychological variables include job satisfaction and organizational commitment and the environmental variables include availability of job opportunities. However, Sutherland (2004) established that job satisfaction and organizational commitment do not necessarily lead to loyalty, long defined as the intention to remain with the employer.

Equity theory (1965) is concerned with the perceptions people have about how they are treated as compared with others. The theory posit that employees seek to maintain equity between the input they bring into a job (education, time, experience, commitment and effort) and the outcome they receive from it (promotion, recognition and increased pay) against the perceived inputs and outcomes of other employees.Failure to find equity leads to various actions one of which may be to leave the organization. The major strength of this theory is that, it recognizes that individual inputs such as education, experience, effort should be recognized in such a way that equity is experienced. It also shows that individual employees are part of the larger system. This theory therefore guides in understanding what may influence teachers to leave in that they keep on comparing what teachers earn in other secondary schools and other comparable organizations in order to realize a balanced state between the inputs-outcome ratios. In turn this contributes to labour mobility within the teaching fraternity. The major weakness in this theory is subjectivity of the comparison process. There is a tendency in human nature to distort their inputs especially in regard to effort and hence becomes subjective when comparing (Beardwell&Claydon,2007).

Herzberg (1959) two factor theory argue that employees are motivated by internal values rather than values that are external to the work. In other words, motivation to work is internally generated and is propelled by variables that are intrinsic to the work which include achievement, recognition, the work itself, responsibility, advancement, and growth. Conversely certain factors induce dissatisfying experiences to employees and these factors largely result from non-job related variables also called extrinsic variables. These are company policies, salary, coworker relationships and supervisory or management styles and work environment (Armstrong, 2009). This theory is relevant to this study in that it recognizes that employees have two categories of needs that operate in them and that both should be addressed. This theory therefore can guide a researcher in assessing factors influencing retention of teachers in private secondary schools in Nakuru Sub County.

3.0 Methodology

Descriptive survey research design was used in this study to determine theeffect of remuneration and organization culture on teacher turnover. Stratified sampling was used to select a total of 18 private secondary schools and purposive sampling was used to pick 116 teachers out of a total population of 19 schools and 238 teachers. Primary data was collected by administering pretested structured questionnaires to respondents.

4.0 Data Analysis and Presentation

Data was analyzed using descriptive statistical techniques. Statistical Package for Social Science (SPSS) was used to carry out the analysis. The descriptive statistics used included frequencies and percentages so as to give meaningful results of the data collected. To establish relationships, inferential statistics were used. Pearson Product-Moment correlation analysis was used to assess the strength of the relationship between independent variables and multiple regression analysis was used to assess the predictive nature of independent variables.

4.1 Descriptive Statistics

Organizational culture related factors that may encourage teachers to quit

The study sought to establish organizational related factors that may encourage teachers to quit. The results were as shown in table 4.5

Table 4.1 Organizational culture related factors that may encourage teachers to quit

Statement	SA Freq (%)	A Freq (%)	N Freq (%)	D Freq (%)	SD Freq (%)	χ^2	p>χ^2
I like the symbols of the school	30(34)	30(34)	14(16)	5(6)	9(10)	31.43	0.000
Formal procedures generally govern what teachers do in this school	12(14)	39(44)	13(15)	8(9)	16(18)	34.39	0.000
Teachers are hardworking and achievement oriented	41(47)	31(35)	2(2)	6(7)	8(9)	68.02	0.000
Teachers freely interact with one another and with their manager	24(27)	31(35)	3(4)	10(11)	20(23)	28.25	0.000
I like the dressing code of the school	35(40)	33(38)	4(4)	8(8)	9(10)	64.61	0.000

Key: **SA**-Strongly Agree; **A**-Agree; **U**-Undecided; **D**-Disagree; **SD**-Strongly Disagree, freq=frequency, %=percentage

Source: Researcher (2016)

The study set out to establish whether respondents liked the symbols of their schools. The findings revealed that 68% of the respondents agreed and strongly agreed that they liked their school's symbols (χ^2=31.43, P≤0.001).These results show that most teachers in the study area liked their school's symbols.

The researcher also wanted to find out whether formal procedures were used to govern what teachers did in their schools. Accordingly, 58% of the respondents agreed and strongly agreed that formal procedures generally govern what teachers do in their schools (χ^2=34.39, P≤0.001).This outcome means that the work of most teachers in the schools found in the study area was governed by formal procedures.

The study sought to determine whether teachers in schools found in the study area were hardworking and achievement oriented. The findings showed that 82% of the respondents agreed and strongly agreed that they were hardworking and achievement oriented (χ^2=68.02, P≤0.001).This outcome shows that most teachers in the study area were hardworking and achievement oriented.

The researcher also set out to establish whether teachers freely interacted with each other and with their managers. Consequently, 62% of the respondents agreed and strongly agreed that they freely interacted with fellow colleagues and their manager (χ^2=28.25, P≤0.001).These findings imply that most teachers in the study area freely interacted with their colleagues as well as their manager.

Finally, the study also sought to determine whether respondents liked the dressing code of their respective schools. According to the findings, 78% of them agreed and strongly agreed that they liked their school's dressing code (χ^2=28.9, P≤0.001).These results indicate that most teachers in the study area liked their schools' dressing code. The findings conform to the findings of (Asmed, 2006) who found out that many employees would like working in organizations with pleasant working environment. They would be more productive if the relationship between themselves and also between them and the employer are bettered. Bhatt (2015) concurs that organization culture plays a vital role in inculcating culture of retention and Managers can play an important role in building an effective organizational culture which draws employees in rather than pushes them away.

Remuneration related factors that may encourage teachers to quit
The study sought to establish remunerationrelated factors that may encourage teachers to quit. The results were as shown in table 4.6

Table 4.2 Remuneration related factors that may encourage teachers to quit

Statement	SA Freq (%)	A Freq (%)	N Freq (%)	D Freq (%)	SD Freq (%)	χ^2	p> χ^2
I am happy with what I am paid in this school	10(11)	10(11)	7(8)	21(24)	40(46)	42.11	0.000
Allowances are paid for extra work done	11(12)	16(18)	5(6)	20(23)	36(41)	31.21	0.000
The salary I am paid is commensurate with my qualification and experience	4(5)	14(16)	3(3)	24(27)	43(49)	62.34	0.000
Pension programs are available in this school	14(16)	12(13)	7(8)	15(17)	40(46)	37.80	0.000
There is insurance cover for teachers in this school	8(9)	12(14)	7(8)	19(22)	42(47)	47.34	0.000

Key: **SA**-Strongly Agree; **A**-Agree; **U**-Undecided; **D**-Disagree; **SD**-Strongly Disagree, freq=frequency, %=percentage

Source: Researcher (2016)

The study sought to determine whether respondents were happy with what they were being paid in their schools. According to the results, 70% of them disagreed and strongly disagreed that they were happy with what they were paid (χ^2=42.11, P≤0.001).These results show that most teachers in the study area were unhappy with what they were being paid.

The researcher also sought to find out whether schools in the study area paid teachers allowances for extra work done. Consequently, 64% of the respondents disagreed and strongly disagreed that such allowances were being paid (χ^2=31.21, P≤0.001). This outcome indicates that most teachers in the study area were not being paid allowances for extra work done. This could contribute to teacher turnover because past studies (Shader, Broome, West and Nash, 2001) indicate that having to work overtime predicts higher turnover rates among employees.

The study set out to establish whether the salary respondents received were commensurate with their qualifications and experience. Subsequently, 76% of the respondents disagreed and strongly disagreed that any allowances were paid for extra work done (χ^2=62.34, P≤0.001).These findings imply that most teachers in the study area were paid salaries that were not commensurate with their qualifications and experience.

The study also sought to determine whether pension programs were available in schools located in the study area. According to the findings, 63% of the respondents disagreed and strongly disagreed that pension programs were available (χ^2=37.80, P≤0.001). This outcome indicates that most schools in the study lacked pension programs for their teachers.

The researcher set out to establish whether schools in the study area provided insurance cover for their teachers. Consequently, 69% of the respondents disagreed and strongly disagreed that their schools had insurance cover for teachers (χ^2=47.34, P≤0.001).These findings indicate that most schools in the study area did not provide an insurance cover for their teachers.

The findings of this study agree with the findings of (Bhatnagar, 2007) who posits that various reasons cited for employee attrition are dissatisfaction with internal job postings, work profile, personal causes and finally dissatisfaction with compensation. (Devi 2009) also concurs that for better retention of talent, organizations must improve compensation and benefits and also factors like good working conditions, flexible work timings, cooperative teams, good bosses, culture and values of the organization.

Teacher turnover intentions

The study sought to establish teacher turnover intentions in the study area. The results were as shown in table 4.3

Table 4.3 Teacher turnover intentions

Statement	SA Freq (%)	A Freq (%)	N Freq (%)	D Freq (%)	SD Freq (%)	χ^2	$p>\chi^2$
I am looking for an alternative employer	25(29)	20(22)	22(25)	7(8)	14(16)	11.66	0.200
If I had my way, I would not be working here	26(30)	20(23)	16(18)	10(11)	16(18)	7.91	0.095
I have seriously thought about quitting teaching altogether	10(11)	12(13)	13(15)	16(19)	37(42)	27.80	0.000
I may leave this school before too long	17(19)	24(27)	21(24)	11(13)	15(17)	5.87	0.210
I do not plan on leaving teaching soon	22(25)	25(28)	9(10)	6(7)	26(30)	20.27	0.000

Key: **SA**-Strongly Agree; **A**-Agree; **U**-Undecided; **D**-Disagree; **SD**-Strongly Disagree, freq=frequency, %=percentage

Source: Researcher (2016)

The researcher sought to determine whether respondents were looking for an alternative employer. The responses using (χ^2=11.66, P>0.200) shows that the respondents did not differ. These results imply that respondents did not agree in each category that most teachers in the study area were looking for an alternative employer.

The study also set out to determine whether respondents would opt out of their current station if they got the opportunity to do so. The responses using (χ^2=7.91, P>0.095) shows that the respondents did not differ. These results imply that respondents did not agree in each category that if they had their way, they would not be working there.

The study sought to establish whether respondents had seriously thought about quitting teaching altogether. Consequently, 61% of the respondents disagreed and strongly disagreed that they were considering this option (χ^2=27.80, P≤0.001). These findings mean that most teachers in the study area were not considering quitting the teaching profession altogether.

The researcher also sought to find out whether respondents were considering leaving their schools shortly. The responses using (χ^2=11.66, P>0.200) shows that the respondents did not differ. These results imply that respondents did not agree in each category that they would be leaving their schools soon.

Lastly, the study sought to establish whether respondents planned on leaving teaching soon. According to the results, 53% of the respondents agreed and strongly agreed that they were not planning to leave teaching soon (χ^2=20.07, P≤0.001). These results showed that majority of teachers in the study area were not planning to leave teaching soon.

4.2 Inferential Statistics

This section presents the outcomes of the correlation and regression analysis conducted to evaluate the nature of the relationship between the dependent and independent variables.

4.3.1 Correlation Analysis

There were four research hypotheses which the study sought to address. In order to test these hypotheses, Pearson Product Moment Correlation (PPMC) analysis was conducted and the results were as captured in table 4.8

Table 4.4 Results of hypothesis test

	organizational Culture	**Remuneration**	**Turnover intention**
Organizational culture	**1**	**0.128 NS**	**-0.137 NS**
Remuneration		**1**	**0.442****
Turnover Intention			1

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

NS-correlation not significantly different (P>0.05)

Source: Research data (2016)

The first research hypothesis stated that organizational culture has no significant influence on teachers' turnover in Private Secondary Schools in Nakuru Sub County. According to the findings the correlation between organizational culture and turnover intention was not flagged (**) as being significant (-0.137). Consequently, the null hypothesis was accepted. This means that organizational culture does not significantly influence turnover of teachers in the study area. These findings concur with Bhatt (2015) who states that organization culture plays a vital role in inculcating culture of retention and Managers can play an important role in building an effective organizational culture which draws employees in rather than pushes them away.

The second research hypothesis stated that remuneration has no significant influence on teachers' turnover in Private Secondary Schools in Nakuru Sub County. According to the findings the correlation between remuneration and turnover intention was flagged (**) as being significant (0.442**) consequently, the null hypothesis was rejected. This implies that remuneration significantly influenced turnover of teachers in the study area. In addition, the relationship between the two variables was negative, that is, -0.442. This means that higher levels of remuneration were associated with lower level of teachers' turnover.

4.3.2 Regression Results

In order to establish the combined effect of organizational culture and remuneration factors on teachers' turnover in schools found in the study area, a multiple regression analysis was conducted. Multiple regression analyses are used to examine the effect of different predictor/independent variables on a single outcome/dependent variable. The results of the multiple regression analysis were as captured in table 4.5, 4.6 and 4.7

Table 4.5 Multiple Linear Regression Analysis Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.451[a]	.204	.165	4.143

a. Predictors: (Constant), remuneration, organizational culture

Source: Researcher (2016)

According to the findings, R-Square value was 0.204. This outcome means that 20.4 percent of the variation in teachers' turnover is explained by the four independent variables in the model.

Table 4.6Anova

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	364.196	4	91.049	5.304	0.001[b]
	Residual	1424.883	83	17.167		
	Total	1789.080	87			

a. Dependent Variable: Turnover intention
b. Predictors: (Constant), remuneration, organizational culture

The findings revealed that the sig. or p-value is 0.000 which is below the 0.05 level; hence, it can be deduced that the overall model is statistically significant, or that the variables have a significant combined effect on the dependent variable.

Table 4.7 multiple linear regression analysis correlation coefficients

		Unstandardized Coefficients		Standardized coefficients	t	Sig.	Collinearity statistics	
Model		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	20.985	2.222		9.442	0.000		

Organizational culture	-0.094	0.105	-0.107	-0.893	0.374	0.666	1.502
Remuneration	-0.397	0.093	-0.442	-4.275	0.000	0.978	1.023

a. Dependent Variable: Turnover intention

Source: Researcher (2016)

According the results, remuneration, with a sig. value of 0.000, was the most significant predictor of teachers' turnover in schools found in the study area. The Beta value for remuneration was -0.397 meaning that, lower levels of remuneration were associated with high levels of teachers' turnover and vice versa. The overall regression model was as follows:

Teachers' turnover (Y) = 20.985 – 0.094X_2 – 0.397X_4

Where the Independent variables X_2, and X_4 are: Organizational culture and remuneration respectively.

Based on the Coefficients Output – collinearity statistics, obtained VIF values of 1.502, 1.115 for organizational culture, remuneration variables, respectively. All the VIF values obtained were within the accepted level of less than 10, showing that there was no multicollinearity among independent variables.

4.4 Hypotheses testing

$H0_1$ Organizational culture has no significant influence on teachers' turnover in Private Secondary Schools in Nakuru Sub County.

The third research hypothesis stated that organizational culture has no significant influence on teachers' turnover in Private Secondary Schools in Nakuru Sub County. According to the findings the correlation between organizational culture and turnover intention was not flagged (**) as being significant (-0.137). Consequently, the null hypothesis was accepted. This means that organizational culture does not significantly influence turnover of teachers in the study area.

These findings are not consistent with literature because teachers in the private sector view their jobs as a stepping stone to the public sector. For instance, Bhatt (2015) concurs that organization culture plays a vital role in inculcating culture of retention and Managers can play an important role in building an effective organizational culture which draws employees in rather than pushes them away.

$H0_2$ Remuneration has no significant influence on teachers' turnover in private secondary schools in Nakuru Sub County.

Finally, the fourth research hypothesis stated that remuneration has no significant influence on teachers' turnover in Private Secondary Schools in Nakuru Sub County. According to the findings the correlation between remuneration and turnover intention was flagged (**) as being significant (0.442**) consequently, the null hypothesis was rejected. This implies that remuneration significantly influenced turnover of teachers in the study area. In addition, the relationship between the two variables was negative, that is, -0.442. This means that higher levels of remuneration were associated with lower level of teachers' turnover. When teachers are employed, remuneration has to be given first priority. The amount of salary, allowances, insurance cover, pension programs and the teacher's qualification and experience have to be taken into account by the employer.

These findings agree with (Devi 2009) who posits that for better retention of talent, organizations must improve compensation and benefits and also factors like good working conditions, flexible work timings, cooperative teams, good bosses, culture and values of the organization. Vandeberg and Tremblay, (2008) found that pay are means to retain best employees. Teacher's retention is high when salaries are high and low pay has been realized to be the cause of high teacher turnover.

5.0 Summary of findings

This study sought to fulfill the following four objectives:

1. To establish the extent to which organizational culture influence teacher turnover in private secondary schools in Nakuru sub county.
2. To establish the extent to which remuneration influence teacher turnover in private secondary schools in Nakuru sub county.

In respect to the study objectives, the findings were summarized as follows:
The study established that organizational culture has no significant influence on turnover of teachers in private secondary schools in Nakuru Sub County. Regression analysis (-0.094) revealed that there was negative relationship (-0.107) between organizational culture and turnover.
The findings revealed that remuneration has a significant influence on teachers' turnover in private secondary schools in Nakuru sub County with regression analysis of (-0.397). In addition, the relationship between the two variables was negative, that is, -0.442. This means that higher levels of remuneration were associated with lower levels of teachers' turnover.

These findings are consistent with Reville, Boden and Biddle (2003), that benefits, such as pension, life and health insurance, retirement plans and allowances, all represent a significant pay element in many firms which go a long way in improving employee commitment to an organization and hence employee retention. Well remunerated employees will find little reason to leave to other organizations provided the tasks are challenging enough. This study confirmed research findings by Milkovich& Newman (2005) and Vandenberghe& Tremblay (2008) that, low pay triggers turnover. The study therefore, concludes that inadequate salary indeed leads to high teacher turnover in private secondary schools.

5.1 Conclusions of the study

In light of the findings cited above, it was revealed that remuneration had influence on turnover of teachers in private secondary schools in Nakuru Sub County. In particular, most teachers were of the opinion that they were not happy with what they were being paid. It was also revealed that most teachers were not paid any allowances for extra work done. It was realized that teachers' salaries were not commensurate with their qualifications and experience. Through this study, it was revealed that most private secondary schools in Nakuru Sub County lacked pension programs and insurance cover for their teachers. This shows that limitation of these factors influence teachers' turnover.

5.2 Recommendations

In addressing the problem of high teacher turnover in private secondary schools, as displayed in the findings of the study, the researcher recommends the following as retention strategies:

i) Rewards should be awarded on merit and experience. Both which help in retention.

ii) The salary of teachers need to be increased, which will not only retain the present teachers but will also attract teachers from other schools as well.

iii) Schools should identify those benefits which have more influence on teacher retention. Furthermore, Schools need to revisit their present benefits package to identify those benefits which are not useful in order to replace them.

iv) Schools must conduct "stay" and "exit" interviews to understand as to why teachers choose to leave. This information will help in understanding the reasons why teachers leave. Based on this schools must strengthen their teacher retention strategies.

v) School managers should carefully monitor voluntary turnover among teachers and make sure that they understand why teachers leave in order for more effective strategies for retaining teachers can be developed.

vi) School managers must recognize that teachers are in high demand and will be lured away by increased pay and job opportunities; as such, succession plans and counteroffer policies should be established.

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The impact of Transparency on Public Expenditure Management in Nigeria: A Conceptual Review

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Abstract

This paper reviews the impact of transparency on public expenditure management in Nigeria. The study explores the relationships between transparency and linked it with the public expenditure management in Nigerian. Conceptually, it is clear that transparency emerged from high level of corruption.Government expenditure involves all the expenses which the public sector operators incur for making the sector effective and efficient, for moving the economy forward. Public expenditure in Nigeria is usually categorized into recurrent and capital expenditure It is recommended that there's need to restructure the public sector transparency system and it is urgently necessary to have a comprehensive revision of entire audit laws of the country with a view to aligning them with current realities and demands of globalization. Therefore future studies would extend the study beyond the conceptual linkage through quantitative analysis.

Keywords: accountability, transparency, public, expenditure, management and Nigeria

Background to the Study

Many developed and developing countries have embarked on Public Expenditure Management Reforms (PEMR). The main reasons for commencing these reforms were Public Sector inefficiency and ineffectiveness. Governments have been constantly under pressure to improve public services quality while maitaining cost and enhancing accountability and transparency at the same time. Hood (2011) opined that several countries such as New Zealand, Australia and United Kingdom, undertook significant public sector changes to break the traditional methods of managing finances in the public sector. Those reforms were widely recognized under the concept of Public Financial Management (PFM). The reforms were directed at improving efficiency, effectiveness and accountability in the public sector.

Effective Public Expenditure Management (PEM) as a component of PFM is required to ensure efficient use of resources, create the highest level of transparency and accountability in government finances and to ensure long term economic success. Recent literature such as Roberts (2003) has highlighted the importance of sound PEM to service delivery, poverty reduction and achievement of the Millennium Development Goals (MDGs). Public expenditure management is a powerful tool in public financial management for allocating scarce resources to different programs of every country. Public expenditure management is a basic means of government policy distributing and utilizing sources productively, effectively and sensitively, Allen &Tommasi (2001). The central issue in public expenditure management concerns the judicious allocation of government expenditures, how aggregate expenditure has far reaching implications for socioeconomic growth and development in the local government. Public expenditure management is a long term process in which fiscal authorities and managers undertake periodic reviews of their spending decisions and activities in a bid to reduce costs stemming from unnecessary spending, unbudgeted expenditures and lack of transparency and accountability. The sphere of public expenditure management involves planning and budgeting of local government expenditures, auditing of expenditures, cash and debt management and strengthening of treasury and parliamentary controls, among others, (Musgrave & Musgrave, 1984; Mikesell, 2011; OECD, 2003). These expenditure control measures are enforced within specific institutional, legal and policy frameworks.

Government expenditure involves all the expenses which the public sector operators incur for making the sector effective and efficient, moving the economy forward. Public expenditure in Nigeria is usually categorized into recurrent and capital expenditure. According to Anyanfo (1996), a recurrent expenditure is incurred more frequently and regularly than the capital expenditure. In the context of governmental financial management, recurrent expenditure has an economic life span of less than one year, while capital expenditure has a life span of more than one year for the purpose of acquiring or improving fixed assets.

The Theoretical Background

Public Expenditure theory

Peacock-Wiseman's theory of expenditures .They based their analyses upon a political theory of public determination namely that governments like to spend more money and citizens do not like to pay tax revenue and that government need to pay some attention to the wishes of their citizens. As income grew, tax revenue and constant tax rate would rise, thereby enabling public expenditure to show a gradual upward trend even though within the economy there might be a divergence between what people regarded as being desirable level of public expenditure and the desirable level of taxation and other sources of government revenue. Peacock & Wiseman (1961) argued that a country's government spending does not follow a smooth trend, but some jumps at discrete intervals as a result of political instability. Peacock and Wiseman propose that the government expenditure of country increase during periods of social, political and economic upheavals. The theory has three underlying assumptions, which include the fact that government can always find profitable ways in terms of its votes to expand available fund; citizens in general are susceptible to higher taxes; and government must be responsive to the wishes of their citizens (Henrekson, 1993). This implies that during periods of tranquility and relative national peace, the incidence of tax revenue will be fairly stable and consequently reduce the government venues.

Wagners theory postulates that the government expenditure increases as a result of industrial and economic growth in a country. This theory further emphasizes that there is both an absolute and a relative expansion of the public sector at the cost of the growth in the private sector. Bird (1971) justifies this postulation based on three evidences. That is, the administrative and protective functions of the government would require huge capital expenditure outlay; there will be the need for increased provision of social and cultural goods and services as the industrial sector grows; and the government expenditure would be needed to manage and finance natural monopolies and ensure smooth operation of the market forces. Furthermore, the industries set up by the private sector will look forward to the government's involvement in ensuring sustainability and effectiveness through the provision of the key facilities such as: infrastructures, health services and security. The provision of these facilities will involve an increase in government expenditure. Therefore, the main postulation of the Wagner's theory is that government expenditure usually increases to match the growth rate of the industrial sector of the country.

The Concept of Accountability

The concept of accountability has a long transition in both political science and accounting. In political science, John Locke's theory of the superiority of representative democracy built on the notion that accountability is only possible when the governed are speared from the governors (Staftan, 2009). As a concept in ethics and governance with several meanings, accountability is often used synonymously with such concept as responsibility, answerability, blame worthiness, liability and other terms associated with the expectation of account giving. As an aspect of government, it has been central to discussions related to problems in the public sector (not for profit organization) and private. Accountability is defined by Tetlock (1992) as the implicit or explicit expectation that individuals may be called on to justify their judgment and decisions to others. Accountability is all about holding and ensuring that steward with resources entrusted in one's care is collectively and individually executed towards the objectives of the owners of resources.

Accountability is all about being answerable to those who have entrusted their resources to others. Thus it is an obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-a-via mandated roles and or/plans (Adegite, 2010). It is also interpreted to mean doing things transparently in line with due process and the provision of feedback. Public accountability is an essential component for the functioning of our political system (Johnson, 2004). This means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate.

According to Ola and Effing (1999) accountability refers to the ability to furnish satisfactory analysis and explanation of one's actions in the process of discharging ones responsibilities at all levels whether technical or administrative, political, financial or otherwise. Ola and Effing (1999) further explains accountability thus; every steward is held accountable to the persons or body which he entrusted resources to him/her whether the latter is a superior steward or the ultimate owners. Accountability place two obligations upon a stewards, he must render an account of his dealing with the relationship resources and then he must submit to an examination (usually known as an audit) of that account by or behalf of the persons or body whom he is accountable. This means that he must not only allow the audit to take place, but he must provide the evidence from which the auditor can verify the account rendered.

While Appah (2009) points out that the number and monetary value of public sector activities has increased substantially. This increase in activities has brought with it an increased demand for accountability of public officers who manage these activities of the public. Serious consideration is being given to the need to be more accountable for the often vast amount of investments, which exercise administrative and political authority over the actions and affairs of political units of people. Government spending is a very big business and the public demands to know whether the huge outlays of money are being spent wisely for public interest.

However, the issues of accountability in Nigeria are fundamental problems because of the high level corruption in all level of government in the country. The Transparency International global Corruptions Perception Index (CPI) in October 2010 ranked Nigeria 134 from its 130 position in 2009 and 121 in 2008. The CPI, drawn on a scale from 10 (high clean) to 0 (highly corrupt), showed that Nigeria scored 2.4 and ranked 134 amongst the 178 countries surveyed. According to Oladoyin*et al.* (2005) transparency is a moral virtue which stresses sincerity, truthfulness and openness. Since operators of the public sectors are trustees in a sense, they necessarily must be honest, otherwise, they will abuse the confidence and trust reposed in them by the general public and this will ultimately lead to lack of confidence in the essence of local governments.

Premchand (1999) observed that the capacity to achieve full accountability has continued to be inadequate partly due to the design of accountability itself and partly because of the widening range of objectives and associated expectations attached to accountability. He further argues that if accountability is to be achieved in full, including it constructive aspects, then it must be designed with care. The objective of accountability should go beyond the naming and shaming of official or the pursuit of sleaze, to a search for durable improvement in economics management to reduce the incidence of institutional recidivism. The future of accountability consists in covering the macro aspects of economic and financial sustainability, as well as the micro aspects of service delivery. It should envisage a three-tier structure of accountability that of official (both political and regular civil employees), that of intra-governmental relationship and that between government and their respective legislatures.

The Concept of Transparency

Transparency is an inclusive concept that requires loyalty, faithfulness, allegiance and dependability (Olowu, 1993). In this vein, operator of public sector should be faithful and dependable. This is because the services of accountant, auditors, revenue officers and other operators in the system depend greatly on faithfulness, dependability, trust and fairness.

Papefub and Schaefer, (2010) defined transparency as the extent to which all stakeholders have a shared understanding of, and access to the information they request, without loss, noise, delay and distortion. Transparency is regarded as an element of good governance (Addink, 2005). Well-functioninggovernment bodies should not be only effective, democratic and legitimate but also transparent. Transparency is even argued to be substitute for accountability as a check on government abuse. Public control is to be implemented directly through transparency and not indirectly through representatives or autonomous bodies. In that sense, transparency does not result from democratic values but becomes a value of its own (Heald, 2006).

Pasquier and Jean-Patrick (2007) stated that the cultures of transparency and secrecy are rooted in historical traditions and traditional state-society relation. Institutional rules result from historical trajectories. Generally, those in power have tended to consider public information their own property and not that of the citizen. Therefore, they have been hesitant to make such documents accessible to the public. Furthermore, bureaucratic organizations are by nature hierarchical, introverted and risk adverse, and "public service organizations are little inclined to disclose the information at their disposal" (Pasquier& Jean-Patrick, 2007). At the same time, because transparency is regarded as a core value of new information and communication technologies that is now growing exponentially in use (Beniger 1986; Meijer 2009; Nora &Minc 1980;Welch & Wilson 2001), these new technologies are challenging historical traditions and bureaucratic cultures and raising new institutional uncertainties. The class between these value orientations results in contextual and specific conditions and stakeholder constellation are influencing the outcome of the confrontation between old and new value orientations.

Principles of Accountability and Transparency

The people in positions of responsibility owe a duty to be efficient in the acquisition and utilizations of resources and to be transparent and accountable to those that put them there. To be efficient they are expected to abide by the principles of transparency and accountability. Muhammed (2005) outlines seven principles of accountability and transparency. They are integrity, objectivity, timeliness, competence, accuracy, care and promises keeping. Integrity is an element of character represented by soundness of moral principles, uprightness and honesty (Cooks & Winkle, 1976). According to Hama, Romle and Ezzat (2015) integrity can accommodate in advertent error and honest difference of opinion but cannot accommodate deceit or subordination of principles. Objectivity is when someone is under obligation to be fair to all. Hama *et al* (2015) opine the objectivity is a state of mind; a quality that lends values to someone service and its principles is an obligation to be impartial, intellectually honest and free from conflict of interest.

Therefore, the person is required not to allow personal sentiments to override his/her sense of reasoning or guide his/her conduct. Timeliness is about giving account as and when needed, as undue delay can cause financial losses not only to the organization but also to the owners of the resources. Not rendering timely accounts is tantamount to not being accountable. Competence is the possession of all the necessary qualification (academic and professional), skills and experience that will enable managers of resources to carry out their responsibilities effectively. The last principles of accountability as cited by Muhammad (2005) is promise keeping as trustees who have entered into a contract to manage the resources of others those in the positions of responsibility are required to sincerely abide by the terms of the contract in the conducts of their affairs.

Relationship between Accountability, Transparency and Expenditure Management

Accountability reflects the needs for government and its agencies to serve the public effectively in accordance with the provision of the laws of the land. Chi-Chi and Ebimobowei (2012) pointed out that number and monetary value of public sector activities has increased substantially. This increase in activities has brought with it an increased demand for transparency of public officers who manage these activities. Effective framework of transparency depends on formal structure of proper environment. It requires such things as existence of proper code of conduct, training in ethics, unforgiving accountability of senior officers. It also means that the oversight bodies should adopt a reasonable attitude towards managing public expenditure.

Accountability thus becomes important and relevant because agents have to properly demonstrate to the satisfaction of the principals that they have exercised the power conferred and achieved the agreed goals and objectives, by using the resources provided effectively and efficiently. In the case of the public sector, as observed by Inanga (1991), accountability requires government to answer to the citizenry to justify the sources and utilization of public resources".

This is imperative as the citizenry no doubt, has a right to know, a right to receive openly declared facts and figures (transparency) which would enable them to debate and analyze how the public money are been expended and managed by those entrusted with.

Expenditure in Nigeria involves all the expenses which the public sector incurs for its maintenance for the benefit of the economy and external bodies. The expenditure financial management also concerns with the planning, organizing, procuring and utilizing government financial resources as well as the formulating of appropriate policies in order to achieve the aspiration of members of the society. These expenditures are largely exercised, managed and controlled by the warrant system.

To stress the interplay between accountability and transparency in managing public expenditure, it is very essential that accountability and transparency discipline is imposed at each stage or level of government otherwise expenditure management will be impossible among public office holders. The basic goals of public expenditure management are accomplishing macro financial discipline, strategic priorities (productive resource allocation) and functional application (technical productivity). All three goals have very strong interaction (World Bank, 1998) both theoretically and practically, these three objectives are complementary and interdependent, without fiscal discipline, it is impossible to achieve effective prioritization and implementation of policy priorities and program.

A good expenditure management process move beyond the usual concept of line item expenditure control, providing incentives and flexibility to management that can lead to improved program efficiency and effectiveness. It serves as a mirror through which the image of accountability can be made transparent. However, by simply having annual budget expenditure, the budget is usually not enough to ensure that government objectives are met as such the issue of accountability and transparency in the process must not be left behind. Therefore, it is pertinent to inculcate the culture of accountability and transparency in all dealings of public expenditure management in all aspect public sector financial management.

Achieving Accountability in the Public Sector

Chi-chi and Ebimabowei (2012) opined that accountability in the public sector can be achieved through the legislature.In Nigeria and other developing countries, legislatures have the constitutional responsibility to ensure that the executive are accountable to the people for the management of public funds. In practice, the reverse is the case in Nigeria, where the legislatures are part and parcel of the collapse of the system. Legislators at all level of government must ensure that appropriate laws and oversight functions are properly performed by them.

Another variable of achieving proper accountability is reorientation of value systems on the fundamental problems in Nigeria due to the failure of the value system. This failure has resulted into high level of corruption and lack of accountability by public officers. According to Adegite (2010), that corruption tendency pervade the strata of the Nigerian society so much so that youths, who are supposed to be the leaders of tomorrow, are neck deep in examination malpractice, 419 and internet fraud. He further recommends that for Nigeria to be among the most developmented economies in 2020, the nation's value system should be strengthened through the reintroduction of civics and ethics into the curriculum of our educational system while national reorientations for the rebirth of our value systems should be urgently initiated. He also highlighted the issue of management accountability in the Nigeria public sector accountability law.

Conclusion

Consequently, one can discern the following points: proper accountability framework would require government to put guidelines for preparing and approving work plan, method of monitoring plans, reporting performance, system validation and oversight of performance reports, establishing and resourcing public accountability institutions, training public managers and guidelines for dealing with political institutions by public managers. Accountability can also be achieved in the Nigerian public sector through protection of whistleblowers. That is, an effective framework of accountability that requires those who blow the whistle should be protected against reprisal. The government in Nigeria should also establish appropriate laws to protect the whistleblowers thereby creating conducive environment for accountability. It requires such things as existence of a code of conduct, training in ethnics, appearance of equal treatment by senior managers towards all employees, and unforgiving accountability of senior officers. It also means that the oversight bodies should adopt a reasonable attitude towards public managers.

Achieving accountability through the adoption of International Public Sector Accounting Standards: The success of accountability in the public sector in Nigeria lies on the proper implementation of the International Public Sector Accounting Standard (IPSAS). However, public sector organization in Nigeria uses the cash basis of accounting. It is necessary that ministries, developmental agencies should begin to use the accrual basis of accounting (Chi-chi&Ebimonowei, 2012). A complete accrual basis of accounting would make public managers accountable for recording and safeguarding of public assets, managing public cash flows and disclosing and discharging public liabilities. Adegite (2010) says that to attract foreign direct investment (FDI) in Nigeria, the financial reporting processes must be aligned with international standards.

Accountability can also be achieved through public performance reporting. Public managers are in a business that affects virtually every aspect of a people's life. People therefore, have the right to know how public managers are doing their business. The legislators need to take a lead in this regard and enact necessary laws to make it obligatory for all public entities to report on their performance. Public reporting on performance of departments or programmes should be made mandatory.

It can also be achieved through changes in the structure of government accounting and auditing. Chi-chi*et-al* (2012) opined that government accounting systems in Nigeria is grossly deficit. They also conclude that financial reports are outdated and unreliable at all levels of government. Little attention is paid to financial accountability in the public service. Achua (2009) posit that there is need to protect the commonwealth from poor performance and fraud, and to protect individuals from lawless, arbitrary and unreliable actions by the states surrogate administrators. Therefore, there's need to restructure the public sector accounting system taking into consideration the frailties and flaws of government accounting in Nigeria. Adegite (2010) also says the rapid development and changes that have taken place in the nation's public sector since 1958. It is urgently necessary to have a comprehensive revision of entire audit laws of the country with a view to aligning them with current realities and demands of globalization.

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The Role Of Bureaucracy On The Socio-Economic Development Of Bauchi State

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Abstract
The role of bureaucracy in promoting socio-economic development cannot be overemphasis especially amongst the developing countries like Nigeria.The Public Bureaucracy in Bauchi State has been plagued with challenges that tend to undermine its performance in promoting socio-economic development. Bauchi State is among the state where over 80%of its population lives below poverty line of less than $1 a day. 85% of the populations are in rural areas with low literacy level and more than 65% classified as very poor. The study aims at exploring the role of public bureaucracy in promoting development in Bauchi State. Data were collected through administering of questionaires to the worker of Bauchi State Civil Service: Office of the Head of Civil Service. The finding reveals that the impact bureaucracy has not been felt both at the rural and urban areas this shows that the role of the bureaucracy has not been efficient and the inadequate training of the personnel has affected the performance of the bureaucracy in Bauchi State. The studies recommend that the bureaucracy need to be reshaped and reorganized to be able to discharge it function effectively and efficiently. The training and development of the bureaucrats should be given priority.

Keywords, Bureaucracy, Development, Role, Training and Development

Background to the Study

Bureaucracy is a type of organization designed to accomplished large scale of administrative tasks by coordinating the work of large number of persons in systematic manner. It has been developed in the modern state. According to Aluku and Adesopo(2004) " in Bureaucracy people are brought together in formal and complex settings runs by professionals and experts". The organization is called bureaucracy while the professional and expertise that runs the organization are called bureaucrats. The industrial revolution of the 19th century marks the evolution of modern bureaucracy. It was during and after this period that increasing numbers of people become employees of complex organization.

According to Sapru (2009) the term 'Bureaucracy' was coined by a French scholar name de Gournay. Marx Weber a German Sociologist, Historian and Economist is accredited with having made the most thorough analysis of Bureaucracy (Mullin 1999). Applebaum and Chambis (1995) argued that Bureaucracy start from birth (health bureaucracy) to family upbringing (social welfare) to school (education) to work (civil service, military, commercial ,industrial) to worship and death (religion). Man is increasingly dominated by bureaucracy. Bureaucracy has become a central in the development of world. There is no country that does not have bureaucracy. Be it public or private.

The role of bureaucracy in promoting socio-economic development cannot be overemphasis especially amongst the developing countries like Nigeria. In developed societies like U.S.A. Britain etc the Public Bureaucracy is charge with the responsibilities of maintaining law and order. While in developing countries like India, South Africa, Nigeria etc the challenge to Public Bureaucracy is not only to maintain law and order but to promote socio-economic development of the State. As Anyebe (2010) puts it "*..... that the traditional model of Public Administration would be inadequate in providing guidelines for building a nation-state out of the traditional society. Thus a system of administration termed development administration(Bureaucracy) , a specially within the broader field of Public Administration was adopted in the new nations to modernize their economic, accelerating development to be equivalent eventually, to the advanced countries of the west*". There was a need for technological bureaucracy to overcome tribal authority superstitious beliefs. Bureaucracy was developed to promote socio-economic development of the nation of the developing countries.

The role of public bureaucracy is primarily to offer professional and transparent service, playing a pivotal role in the formulation and implementation of programs and projects for the sustainable development of the country especially among the developing countries like Nigeria and Bauchi State in particular.

Bauchi State too is not left out for the need to promote and attain economic growth and development. The State established the Bureaucracy not only to maintain law and order but to promote development of the State by participating in policy formulation and implementation through providing social service, education, health, human capital development, employment opportunities, infrastructure, public utilities, micro loans etc. This shows that Bureaucracy is paramount in promoting socio-economic development of the state.

Statement of the Problem

All over the world Bureaucracy has been threatened with lot of factors such as complexity of modern technology, growth in size, rapid and unexpected changes and psychological threat springing from a change in managerial behaviour. Nigeria Bureaucracy too is not exceptional especially Bauchi State in particular; the bureaucracy has been plagued with corrupt officials, inefficient, and over staffed. Complementing this is the Udoji Report of 1974 which charge the Bureaucracy with nepotism ,ethnic loyalties, elitisms, unreliability of junior staff in executing delegated tasks, failure to apply specialized knowledge and having skills in the management of the public services and failure to appreciate importance of timelines or efficiency in the performance of tasks.

The Public Bureaucracy in Bauchi State has been plagued with challenges that tend to undermine its performance in promoting socio-economic development. Bauchi State is among the state where over 80%of its population lives below poverty line of less than $1 a day. 85% of the populations are in rural areas with low literacy level and more than 65% classified as very poor (United Nation Development Programme Report 2005). This point to the direction that much is needed to be done by the Bauchi State Government through the Civil Service to implement policies and programmes that will improve the socio-economic lives of the people. In addition to this is inadequate personnel who would manage the bureaucracy, process and procedures are not followed in discharging responsibility which may due to training challenges that may undermined the role of the bureaucracy in promoting development. That is why the study is raising the following questions:

i. How the role of public bureaucracy does promote development in Bauchi State?
ii. To what extent does poor training and development undermine the process of development in Bauchi State?

The study aims at exploring the role of public bureaucracy in promoting development in Bauchi State. The research is built to achieve the following specific objectives:

i. To examine the role of public bureaucracy in promoting development in Bauchi State.
ii. To examine how poor training and development affect Public bureaucracy in Bauchi State.
iii.

Research Hypothesis

The research is built on the following hypothesis:

Ho: Poor training and development does not undermine development of Public Bureaucracy in Bauchi State.

H_1: Poor training and development undermines development of Public Bureaucracy in Bauchi State.

Literature Review

The Concept of Bureaucracy

Bureaucracy has no accepted conceptual definition. Karl Max developed his concept of Bureaucracy within the general frame work of the theory of class conflict. Bureaucracy according to Karl Max is "*an instrument by which the dominant class exercises its domination over the other classes*" (Muozelis 1967.9). Karl Max sees Bureaucracy as office holders of the state whose aim is to manage public affairs in opposition to the masses of the nation. According to Karl Max, Bureaucracy like the state itself is an instrument by which the dominant class exercises its domination over the other social classes. This is the interest of the Bureaucracy are closely linked to these of the dominant class and the state. Bureaucracy is that apparatus of government designed to implement the division of the political leaders. Political leaders make policy while the public Bureaucracy executes it. But that is not always the true, though looking at the type of our Bureaucracy where there are mnostly controlled by the political office holders.

Olsen (2005) viewed Bureaucracy in three ways "*first, Bureaucracy is a distinct organizational setting, the bureau or office: formalized, hierarchical, specialized with a clear functional division of labour and demarcation of jurisdiction, standardized, rule based and impersonal. Second, Bureaucracy refers to a professional full-time administrative staff with lifelong employment, organized careers, salaries, and pensions, appointed to office and rewarded based on formal education, merits and tenure. Third, Bureaucracy implies a large organizational and normative structure where government is founded on authority that is, the belief in a legitimate rational – legal political order and the right of the state to define and enforce the legal order*". Binding authority is claimed through a fourfold rule bound hierarchical relation between citizens and elected representatives between democratic legislation and administration, within administration and between administration and citizen as subjects (as well as authors of law). This viewed Bureaucracy from the office, to the person that will occupy the office and his attributes and what he needs (power and authority) to discharge his responsibilities. The definition did consider the environment that the Bureaucracy would operate.

Kamernea (1989), viewed bureaucracy "*as a descriptive* core" means a centrally directed systematically organized and hierarchically structured staff devoted to the regular, routine, and efficient carrying out of large scale administrative tasks according to polices dictated by rulers or directors standing outside and above the bureaucracy.

To Jay etal (2007) bureaucracy have four meanings to include:

(a) All government officers: First bureaucracy "*is the totality of government officers or bureaus (a French word meaning office) that constitute the permanent government of a state - that is the public functions that continue irrespective of changes in political leadership*" This view bureaucracy as a personnel organization established to carry out programmes.

(b) Public officials: Secondly, the bureaucracy refers to "*all of the public officials of a government -both high and low, elected and appointed*". This includes the police officers, military officers, teachers, scientist etc.

(c) A General invective: Bureaucracy is "*often used as a general invective to refer to any inefficient organization encumbered by red tape*"

(d) Fourth, structural Arrangement: Bureaucracy refers to a specific set of structural arrangement"

Egonmuan (2007) bureaucracy refers to "all *organizations depend primarily on formulation of behaviour to achieve coordination*" According to him, Formulation can be achieved in the following ways:

(a) By job in which behaviour specification are attached to the job itself, typically documenting it in the formal job description. Steps to be taken, how and when are vividly described.

(b) By work flow establishing e.g. docket are printing press operators with instructions each order, for NITEL technicians before they go out for work.

(c) By rules instating rules now for all jobs all works flows, all workers in policy manual like the civil service rules, financial memoranda, financial Regulations, civil service commission regulations and Establishment circulars in government and in various manuals in private organization/business.

Oguma (1999) summaries the various conceptualization (meaning) of bureaucracy under the following

i. Bureaucracy as a form of government designating the rules by officials

ii. Bureaucracy as an associational term designating a body of permanent paid officials (civil servants)

iii. Bureaucracy as an institutional Concept designating a complex system of administration by officials

iv. Bureaucracy as a concept which means efficiency in organization and

v. Bureaucracy as a term, which means inefficiency in organization.

According to Max Weber bureaucracy, the features of ideal bureaucracy are:

i. **Hierarchy**: Each officials has a clearly define competence within a hierarchical division of labour and is answerable for its performance to a superior. That is every lower official is under the supervision of the senior ones.

ii. **Continuity:** The office constitutes a full-time salaried occupation, with a career structure, which offers the prospect of regular advancements.

iii. **Expertise:** Officials are selected according to merit, best on specialization and professionalization. Are trained for their function and control access to the knowledge stored in the files

iv. **Impersonality:** The work is conducted according to prescribe rules, without arbitrariness or favoritism and a written record is kept of each transaction.

v. **Division of Labour:** There is usually a clear cut division of labour based on specialization; hence, individuals become experts in the respective functional areas.

vi. **Clear define responsibility and humility:** The duties of each official are clearly spelt out and lines of authority and accountability are clear. Span of command and responsibility are identifiable and limited.

vii. **Disciple:** there is an acceptable system of discipline where officials are subject to strict control and discipline in discharging their duties.

viii. **Security of job:** The official work constitutes a career and is protected against arbitrary dismissal. That is an official enjoys security of tenure, provide that he/she did not commit an offence contrary to laid down procedures.

ix. **Filing system:** All official transactions and communications are documented for reference and to preserve uniformity of action. All decisions are worded in writing. The extensive filling system constitutes the memory bank of the organization.

x. The officials do not have properly right to their office or any personal claim to the resources that go with it.

According to Max Weber, bureaucracy is the most efficient, most rational, superior to any other form, indispensible and permanent. The factors that are responsible for the rise of bureaucracy according to him are: Creation of money economy, emergency of capitalist economy , growth of democratic institutions, emergence of complex administrative problems, development of modern means of communication, growth of rationalism and growth of population (Laxmikanlh, 2005)

Furthermore, Aluko and Adesopo (2004) discuss extensively on the need or need for bureaucracy. According to them, "*there are four historical conditions which have help to promote the development of bureaucracy in the contemporary society.*" These are: money economy, capitalism, protestant ,and large size:

Public bureaucracy has been considered a veritable instrument in the developing process of any society. This is more so in developing countries where the government has been confronted with series of challenges. Therefore, it is through public bureaucracy and their efficient and effective functioning, that developing countries can translate their political will into concrete policy measures and put them into operation for the achievement of national goals.

However, the role of the bureaucracy as agent of social change and development has been fought with controversies especially in developing countries. According to some scholars, it development means mental or physical development of structure as some liberals contend; bureaucracy could say to have made considerable impact in national development. Development is about man and the qualitative improvement and transformation in his socio – economic life.

The bureaucracy is part of the machinery of the executive branch of the government and exists, to put into effect government policies. The effectiveness of government, especially in relations to national development therefore depends on the efficiency of public bureaucracy and its ability to respond in practical terms to its policy decisions. It is for these reason that the public bureaucracy is often described as the custodian of the government reputation for it is the unable to carry out the polices faithfully and efficiently, it does not only frustrate government, but it might seriously undermine the government's position and stability in power. Public bureaucracy is often link to public administration. Public administration is often referred to as the action part of government. Civil servants are often referred to as public Administrators and they are identified by several functions they perform. These functions are regarded as role of public bureaucracy in national development as they represent the relationship between the public bureaucracy and national development (Eme. and Eke 2012)

These roles are as follows:

- Assisting in policy formulation: Policy formulation is the exclusive preserve of politicians, and political office holders. However, they may not be able to do this without the assistance of bureaucrats who usually provide the necessary data and information which would guide policy choice by the political masters. Bureaucrats go to the field to collect data, analyze them and provide policy alternative with supportive arguments on each. The final policy choice and decision are not the responsibilities of public bureaucrats but they reserve administrative discretions on certain matter of public policy agency, especially at the implementation stage.

- Policy Execution: The primary function of bureaucrats is to carry out government order and directives without complaints officials polices are practically implemented by the public bureaucrats. They are expected to perform such function to the best of their administrative and technical ability. When the particular function is performed religiously, national development is ensured, as they are nothing but policy decision taken which awaits implementation by the bureaucrats. This is the role of public bureaucracy in achieving national development.

- Assisting in law making: The executive under a democratic rule, present bills to the parliament for legislation. Conventionally, it is the duty of the bureaucrats to draft the bill and fleshed it up with the necessary details before presentation to parliament for debate.

- Rule/Law implementation: In modern democratic political nations, bureaucracy is entrusted with the function to implement the rules and policies made by the legislation. Therefore the bureaucrats are inexonarable in law making and implementation, little wonder the saying that public Administration is the administration of “law”, simply put, law in application

- Provision of social amenities and service bureaucrats engage in the provision of some social service as their official assignment. Therefore, whoever has as his official assignment, the provision of social amenities has the sole responsibility of ensuring national development. Therefore, the public bureaucracy has the responsibility of providing social services to the national populace

- Promote private sector development through facilitation in the firm of capital, technical expertise, markets, protection, contracts, infrastructure, and energy and enhance discipline. The aim is to realize national development defined as: Expanded investments, employment creation, Higher and equitable income and development of social infrastructure it is only the public bureaucrats that can promote private partnership

- Continuity of government: public bureaucrats in the past especially during the numerous military regimes Nigeria has witnessed had always played permanent roles in maintaining the continuity of government. Public bureaucrats often provide continuity in government by ensuring provision of social service in all its ramifications. The responsibility leads them to playing a major role in national development because government exist to provide development and so whoever keeps the government going, keeps development going.

- Production: Public Bureaucracy exists to perform service in the broadest sense of term. Its primary purpose is production. Things produced may be tangible object such as fertilizer, construction of roads, petroleum products intangible goods such as cases of legal disputes, educational service, health services, etc. Public bureaucracy facilitates the production of goods and services.

- Administrative adjudicatory power: This is another power which has been entrusted to the executive indirectly to the public bureaucracy due to the rapid technological development and emergence of the welfare concept of the state. Administrative

> Adjudication means vesting judicial and quasi – judicial powers to an administrative department or agency, administrative tribunals like the public complaint commission, Independent corrupt practices commission, ICPC etc. are established to performed this function.

Furthermore, to Naidu (2005) in the developing countries, Public Bureaucracy is view as a major instrument for promoting economic development and social change "since the developing countries are engaged in rapid social – economic transformation under the leadership of government.

Public bureaucracy has very crucial role to play". It has act as locomotive of development. Public bureaucracy is the process by which objectives are defined, plans and policies formulated, institutions created and managed, human energies mobilized, resources utilized and change effected.

Thus, in the developing countries the people especially in Nigeria, the poor look to public bureaucracy to improve them lot and alleviate misery. Public bureaucracy has therefore, deal with such problems as poverty, illiteracy, unemployment, malnutrition, growing population, housing for the weaker sectors, low productivity in agriculture and industry on account rising needs of the people, the public bureaucracy has to provide welfare services such as minimum level of education, health services, water, housing, social security etc. The public bureaucracy has also catered to basic living of the poor by regulating the equitable distribution of essential commodities like rice, wheat, sugar etc. The bureaucracy plays an important role in the scheme of ordering social activities and in promoting social justice and equity.

Naidu (2005) buttress that, the governments of developing countries have also undertaken a variety of programmes for the development of agriculture and industry. In order to encourage the development of industries; Public bureaucracy provides infrastructural facilities like electricity, roads, communication and marketing center. The public Bureaucracy manages government business and industrial enterprises and public utility services. The various developmental activities are undertaken by the government in order to reduce, if not eliminate poverty and unemployment and to bring about improvement in the lives of the people.

Majority of the people in the developing societies are most dependent on Public Bureaucracy for protection of life and survival. Development activities are also dependent upon proper revenue administration because effective collective of revenue to government will generate funds for socio- economic developmental tasks. Thus, the functions of law and order and revenue collection are important to the extent to which they support developmental programmes

The Public Bureaucracy of developing nations are engaging themselves in the different task of developing a sense of nationhood and an awareness of separate national identity. The bureaucrats have to resolve the sub – national and sub – cultural differences among the people in order to create social cohesion. The bureaucrats have to manage crises resulting from social upheavals created by the various separatist forces.

The adoption of planning as a method of socio – economic development has led to the assumption of many new responsibilities by bureaucracy. These relate to setting right developmental priorities and goals, formulation and implementation of development plans, policies, programmes and projects. Mobilizing of material and human resources to secure the necessary managerial skills and technical competence utilization of the advances in service and technology in order to raise productivity in industry and agriculture creations of new administrative organizations and improving the capacity to the existing ones for development purposes. Moreover, the support of the people for developmental activities by involving them in the process of developing and by creating in them appropriate attitudes towards the socio – economic changes that are taking place.

The controversy has been that what would public Bureaucracy play in privatize economy. The policy of privatization signifies a decrease in the scope of the functions of the state. It results in the minimum of state interference in the lives of the individuals. Nevertheless, state withdrawal is not total or indiscriminate. The state can still increase the influence of the market without giving up it direct role in key economic sectors. Further, the state is called upon to oversee the operational side of the enterprise. The need for regulating the market forces gives the state the new role of regulator. In private enterprises system, the unscrupulous and antisocial elements do resort to illegal means to earn more and more profit. Hence, it is the duty of the state to prevent such practices in the large interests of the society as a whole. The role of the state as a regulator requires the existence of a regulatory mechanism to protect and promote public interest by imposing regulations upon the private economic enterprises.

In conclusion, the above discussion shows that functionally the scope of public Bureaucracy in the developing countries like Nigeria has greatly increased. It embraces both the traditional regulatory functions and the new developmental and promotional activities. In addition, it covers the administrative machinery created for formulating and implementing the various development plans, policies, and programmes. All these new functions and responsibilities have expanded the activities of public administration in scope, volume and range and added to its significance.

Data Presentation and Analysis

Data were presented and analyzed using table and percentage, below are the data presentation and analysis:

S/N	Question	Responses				
		Strongly agree	Agree	Disagree	Strongly disagree	**Total**
1	Role of bureaucracy in development of the state	56	188	41	**30**	**315**
2	Impact of the bureaucracy in both rural and urban areas	40	129	105	**41**	**315**
3	Bureaucracy in provision of social service(water, roads, water, education, health, electricity etc	41	184	**70**	**20**	**315**
4	promotion of economic activities,	45	186	**68**	**16**	**315**
5	poor training and development affect the performance of bureaucracy in Bauchi State,	178	80	**29**	**29**	**315**
6	inadequate training affect bureaucracy in development process in Bauchi State,	128	121	**51**	**15**	**315**

Source: Fieldsurvey, September 2017

The above data indicate that public bureaucracy enhances development because 60% agree, seconded by strongly agree with 17%. So Public bureaucracy is strategic and instrument of development if properly position to suit the needs of the immediate society. The research indicates that every corner of Bauchi State with 41% agreeing to it has felt the impact public bureaucracy of public bureaucracy. However, 34% objected that not every corner of the society has felt the impact. This shows that there are some areas within the Bauchi State, despite the fact that, the State has been for the past 40 years and 17 years of consistent civilian rule. Until date, they have not seen the impact of public bureaucracy that touched every corner of the State.

From the surveyed, it demonstrated that public bureaucracy has succeeded in provision of social amenities like roads, education, water, electricity etc. With 58% and 12% agreeing to it; 23% and 7% objecting it, this show case that there some areas of the State that some of those infrastructures are invisible. This reveals that public bureaucracy has succeeded in providing social amenities within the State but not everywhere across the State. The table above indicates that public bureaucracy has facilitated the promotion of economic activities within the State with 59% and 14% of the respondents agreeing to it. This may be in the area of increase in salaries and wages that shows in the purchase of goods and service thereby boosting commercial activities, in addition to job creations and income distribution. 22% and 5% kick against the fact that public bureaucracy has not facilitated the economic activities within the State, may be because inadequate industries and firm within the state and government industries or public enterprises has been mismanage and closed down and become bankrupt. From the above data the table, it indicate that poor training and development affect the performance of Public bureaucrats in the State with 57% and 25% respondents agreeing to it. This is because, when a civil servant is not well train and retrain on what to do, this would sabotage the effort of the organization. While 10% and 8% objecting that poor training does not affect the performance of civil servant they are entitle to their opinion.

Conclusion

Therefore the study conclude that, public bureaucracy remain the major instrument that can brings development. The bureaucracy needs general restructuring and reshaping to make it result oriented and efficient in service delivery. However, numerous criticisms against the public bureaucracy, but none of the critics has succeeded in recommending a better system of administration than the public bureaucracy. The Bauchi State public bureaucracy has to be driven by the needs of the environment rather than rules and procedures that are counterproductive to the needs of the people. This call for the theory of New Public of Management has to be put in place to make the public bureaucracy viable and more efficient.

The studies recommend that,the impact of the public bureaucracy should be extended to the grass root, so that people at the rural areas will feel the impact of public bureaucracy. This calls for decentralization and devolution of this ministries, departments and agencies of the government to different parts of the state to facilitate quick administration. And adequate training of the personnel is very essential for the efficiency of the bureaucracy in the state to discharge it responsibilities effectively.

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Effects of Corporate Governance on Financial Reporting Lags: Evidence from Nigerian Listed Deposit Money Banks

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Abstract

This paper assessed the effects of corporate governance on financial reporting lags, with particular emphasis to Nigerian listed deposit money banks. It is based on secondary data gathered from the published annual report and accounts of eight (8) sampled banks for the period of 5 years from 2010 to 2014, selected according to their data availability and time constrain from fifteen (15) that are operating on the floor of Nigerian Stock Exchange as at December, 2016. The study make used of panel data regression analysis using STATA 14.0. Based on the results from the analysis, the study founds out that all the regression results with the five of the independent variables have positive and significant relationship with the FRL. This mean that complying with corporate governance mechanism reduces FRL by at least one and half months. It was therefore recommends that, in the sense that using the service of experts and up to date monitoring and supervision reduces unnecessary delay in publishing the financial report by listed commercial banks in Nigeria. Hence, there is need for shareholders to lay their support to companies, so that they can employ professionals/skilled labour. Therefore, there is need for listed Nigerian commercial banks to increase the number of their independent directors to add to the board composition. This will lead to timely release of published accounts to enable economic decision by shareholders in respect of their investment in the banks. Possibly they can adopt the use of a two tier board to reduce the effect of agency problems/cost.

Key words: corporate governance, financial reporting lags, deposit money banks, audit committee size, board composition, board meeting frequency

Introduction

Timeliness represents an important character to be imbibed by all components of corporate governance for the purpose of actualising stakeholders' confidence on a set of corporate financial report and account. In view of this, corporate bodies are expected to release their statement of affairs three months after the end of their reporting date (CAMA, 1999 as amended). The ability of corporate bodies to release financial report on timely basis will enhance the reliability of the statement and its relevance to future decision making of the users of the report. This will further indicate entity's willingness and total compliance with the International Financial Reporting Standard (Munsif, Raghunandan, and Rama 2012; Clatworthy and Peel, 2016).

As a directive to all corporate bodies in Nigeria, CAMA (2004) mandated all Nigerian listed firms to make available their audited financial statement latest by March 31, for a continuing business. This is to enable auditors start and finalised their review procedures within the three months from December 31 to March 31 provided their accounting year end is December 31. The main component of the corporate governance shouldered with this responsibility is the Board of Directors (Ishaqa and Che-Ahmad, 2016). The board in its governance, supervisory and monitoring roles is expected to ensure that, stakeholders' interest is maintained and protected through the provision o relevance and up to date information, capable of influencing their future business decision in respect of buying, holding and selling interest in the entity. This necessitates the idea of Financial Reporting Lag (FRL).

FRL refers to the number of cycles/days that takes a corporate entity to make available its financial report to intended users. These days comprise of the first day after the accounting year end to be stipulated March 31 by CAMA. This might to some extent influence the behaviour of stock market participants, especially within the semi strong form efficient market (Watson and Head, 2013; Ishaq and Che-Ahmad, 2016). Because individuals who have access to information that has not yet been made public ('insider information') will be able to buy or sell the shares in advance of the information becoming public, and make a large personal profit. Thus insider information will indicate whether the share price is likely to go up or down, and the individual can buy or sell accordingly. Studies on FRL by corporate entity is somehow scanty, possibly suggesting lack of interest on the stock market participant on the disclosure timing than the intrinsic important of the reported financial numbers (Aubert, 2009). Given the importance of timeliness, section 409 of Sarbanes Oxley Act for example mandated listed United State entities to ensure constant and speedy follow of material information to the public related to the financial and operational activities of the entity (Munsif, Raghunandan & Rama 2012). This have resulted to enhancing the information preparation and supply process by stipulating maximum period of three months after the entity's financial yearend, that is between December 31 to March 31 of every fiscal year.

Despite bunch of available empirical study of FRL, there is the need to analyse and explore corporate Board effect on the FRL and how the board tackle its governance lapses in relation to the FRL (Ishaq and Che-Ahmad, 2016). This research seeks to assess whether the board of directors through its individual committees reduces the negativity of FRL to corporate stakeholders.

Previous studies analyse audit reporting lags across the globe on emerging countries. These include Che-Ahmad and Abidin, (2008) whose findings reveals similarities between Malaysian environment and that of Western countries in relation to board size; directors' holdings and complexity; audit firm size and opinion; and profitability as determinants of reporting lag. Study by Afify (2009) in Egyptian reveals that CEO duality role, audit committee exposure and board independence significantly affect reporting lag, together with corporate size, industry nature and profitability as controlling variables.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Financial Reporting Lag (FRL)

Corporate managers are vested with the power to consider the appropriate timing for disclosing and reporting their stewardship and accountability to shareholders, potential investors and creditors. This can be done by precise analysis and assessment of future expected benefit/cost between early and late disclosure (Aubert, 2009). It therefore follows that inverse relationship exists between information value and the period taken to make available a set of financial statements (Sultana, Singh and Zahn, 2015). That is the longer the time taken to release the financial report, the stronger the signals to the market (possibly signs of negative information from the statement). However, as part of fulfilling the listing requirement at Securities and Exchange Commission (SEC), all public limited companies have been required to produce yearly financial report and account and file same with the SEC in Nigeria. This is also applicable to United Kingdom and the United State of America.

Thus FRL is the time taken by an entity to make available its financial statement to its users. The period comprises the day in which it closes its accounting record (as yearend to the date) to the date of release, usually from December 31 to March 31 in Nigeria. The lag period of three months will allow the external auditor of the entity to express their professional opinion as requested by CAMA in respect of the “true and fair view” of content of the financial statement and state of affairs and actual operations of the entity. However, IFRS conceptual framework for general purpose financial statement requires, financial statement of an entity to be reliable in all respect of its affairs and be relevant in influencing the decision making power of its intending users, hence in addition to being relevant it must also be available on timely basis (Ashton, Graul & Newton, 1989).

Nevertheless, for more than three decades FRL research has been taken place. Among them includes, Reheul, Caneghem and Verbruggen, (2013) observed that, reporting lag for Belgium non-profit organisations (NPO) are significantly higher as compared with profit oriented entities. This might be due to the low or absence of any regulatory requirement on the NPO to publish their financial statement. They therefore report as to their discretion. Blankley, Hurtt, and MacGregor, (2014) in their own study observed that firms that restate or adjust their financial statement experienced abnormal reporting lag, due to time pressure to meet up with the stipulated dateline. Aubert (2009) studies’ on determinants of corporate financial reporting lag: the French empirical evidence reveals that, firms with liquidity and going concern problems tend to shorten their reporting lag in order to reduce litigation cost. This will enable them to reduce the effect of bad news on their firm.

Audit committee Size

Audit committee is a committee established by the board of an entity to oversee the accounting, financial reporting process and the audit process of the entity. The committee is regulated by the provisions of CAMA 2004 in Nigeria. On the other hand, audit committee size refers to the number of directors that make up entire representative of an entity’s total audit committee. In Nigeria, section 359 (4) of CAMA 2004 stipulates that, audit committee should comprise seven members representing equal number of shareholders and directors with not more than one executive director (Tuta, 2014). The essence of making the numbers to be is to allow for a simple majority in the situation of disagreement on matters pertaining to the general interest of the shareholders. Al-Matari *et al., (*2012); Abbott et al. (2004); Xie et al. (2002); Klein (2002); and Dezoort et al. (2001) observed that size of the committee determines its effectiveness in the discharge of it governance role to the best interest of the entity. However, study by Hamdam *et al*., (2009) within the Jordanian companies finds negative relationship between audit committee size and earning management. Thus, it was hypothesised that:

H_1: There is a significant relationship between audit committee size and FRL in Nigerian deposit money banks.

Board Composition

Board composition with required number of members (at least eight) representing both the executive and non-executive directors played a significant role in achieving the governance role of an entity (Salihi and Jibrin, 2015). Accounting researchers debated in respect of which board composition (small or large) effectively and efficiently qualitative management and reporting responsibilities of an entity (Hassan, 2016). Dimitropoulos (2010) opined that communication gap might possibly emanate in an organization that adopted large size, thereby making reaching conclusion on important issues more difficult. However, some commentators argue that efficiency will be achieved within a large board composition due their collective expertise and enhance reporting frequency (Hussainey and Wang, 2010; Akhtaruddin *et al*, 2009; Ezat and Al-Masry, 2008). In view of these positions, it is therefore hypothesised that:

H2: There is a significant relationship between board composition and FRL in Nigerian deposit money banks.

Board Meeting Frequency

Board meeting represent an avenue for corporate directors to meet and discuss the operational and financial implication facing their entity for the benefit of stakeholders. Thus, the meeting frequency will enable the directors to exercise strong and effective control mechanism capable of curtailing anomalies within an entity (Apadore and Noor, 2013). In view of this, a minimum of four meeting is required to enable them scrutinise entity's financial and operational activities and whether such are in line with the laid down procedures, rules and regulation (Mohamad-Nor et al., 2010; Cheung et al, 2010). Hence, it was hypothesised that:

H3 There is significant relationship between directors' meeting frequency and FRL in Nigerian deposit money banks.

Control Variables

Total Assets

This represents the book value of the sampled banks' assets which denoted using natural logarithm (logtotalassets). There is the expectation of lower FRL if the total asset of a bank is higher compared to when it is lower (Anderson et al, 2003).

Loss

This is measured by the banks profit or loss using dummy variable of one if the bank reported net profit and zero if net loss is reported by a bank in any financial year (Alali and Elder, 2014).

METHODOLOGY

The aim of this study as mentioned earlier is to examine the effects of corporate governance on financial reporting lags on listed deposit money banks in Nigeria. The study utilises secondary data extracted from the annual reports and accounts of the seven (7) sampled banks. The banks were selected based on data availability. The time frame for the study is five (5) years, covering the period 2010 to 2014. Panel data regression technique was employed to determine the link between the study variables. Panel regression model is considered to be more appropriate because the data of this study are cross sectional over several time periods (Sani and Chabbal, 2017). The sampled firms are:

Table1: Sampled Banks

S/N	NAME OF BANKS	YEAR OF ESTABLISHMENT	YEAR OF LISTING
1	Access Bank Plc	1989	1998
2	Diamond Bank Plc	1990	2005
3	Eco Bank Nigeria Plc	1985	2006
4	Fidelity Bank Nigeria	1987	2005
5	Guaranty Trust Bank	1990	1996
6	Sterling Bank Plc	1960	1993
7	Wema Bank Plc	1969	1991

The panel regression function below is employed to determine relationship between the dependent and independent variables as used by Abor (2007) with some modifications.

$$FRL_{i,t} = \beta_0 + \beta_1 ACSIZE_{i,t} + \beta_2 BCOMP_{i,t} + \beta_3 INDEPDIR_{i,t} + \beta_4 BMEET_{i,t} + \beta_5 BATTEND_{i,t} + \beta_6 LOGTOTASSETi_{,t} + \beta_7 LOSS_{i,t} + e_{it} \quad (1)$$

Where: FRL means financial reporting lag, AUDQ, BCOMP, INDEPDIR, BDUR, BMEETFRQ, BATTEND represents audit quality, Size of the Board, Indep Directors, Board Duration (Years), board meetings, Board Mtg Attendance. LOGTOTASSET and LOSS represent log of total assets and net loss (control variables) respectively.

While the symbol "e" denotes error term which is the white noise process and the subscripts 'it" indicates entity over time.

RESULTS AND DISCUSSION

Table 2: Descriptive statistics of the study variables

sum bcom bmeetfrq battend indepdir acsize logtotasset dumm nomcom logtt

Variable	Obs	Mean	Std. Dev.	Min	Max
Bcom	40	13.5	3.922323	0	19
Bmeetfrq	40	6.175	2.781694	0	12
battend	40	58.979	44.35562	0	100
indepdir	40	1.95	0.782829	0	3
acsize	40	4.575	2.610506	0	9
logtotasset	40	12.85147	10.49607	0	25.22484
dumm	40	0.4	0.496139	0	1
nomcom	40	3.825	3.087506	0	10
logtt	40	6.01025	0.338742	5.34	6.64

Table 2 above provides a summary of descriptive statistics of the dependent and independent Variables. The results show that the average board size is 13.5 with a maximum of 19 board members and a minimum of 0 member, this reflect the status core of Nigerian public companies

(Sani and Chabbal, 2016). The firms' board under review appears to be strongly independent, given that the independent directors in the board are 200% as displayed by the summary statistics. This signifies that most of the firms complied with the provision of the Nigerian code of corporate governance. The code is designed to ensure balanced of power between executives and non-executives directors and the protection of shareholders interest in the firm. Furthermore, the standard deviation of 3.09 indicates a wider dispersion within the nomination committee also reemphasised the independence of the board in discharging its governance role, given the mean value of 400% with a maximum member of 10.

The standard deviation of 10.5 across the firms indicates a wide dispersion with regards to the total assets of the firms. This is supported by the logarithm of 6% with minimum and maximum value of 5.34 and 6.64 respectively.

Table 3: Regression Results

	1	2	3
VARIABLES	OLS	FIXED	ROBUST
BMEETFRQ	0.47644	0.4764403	0.47644
BATTEND	0.01623	0.0162291	0.01623
INDEPDIR	-0.12327	-0.1232687	-0.12327
ACSIZE	0.40767	0.4076656	0.40767
SIZE	0.0329	0.0328971	0.0329
dumm	0.58657	0.586572	0.58657
NOMCOM	0.38816	0.3881588	0.38816
LTASSET	4.04234	4.042336	4.04234
Constant	-18.4615	-18.46146	-18.4615
R^2	0.6106	0.7230	0.7230

Table 3 above indicates the model adequacy and its fitness as measured by the R^2 of 61% and 72% ordinary least square, fixed effect and the robust regressions. In view of this outcome, table 3 has been subjected to robust estimation to ensure that the model meets the basic OLS assumptions. The model is free from the problems of heteroskedasticity, normality, model specification and multicollinearity (Ishaq and Che-Ahmad, 2016).

Hence it shows the panel data regression result of the ordinary least square, fixed effect and the robust regressions. Both the regressions shows that five of the independent variables have positive and significant relationship with the FRL. This mean that complying with corporate governance mechanism reduces FRL by at least one and half months. This result confirms the findings of Ishaq and Che-Ahmad, (2016). This is due to their oversight and governance role in ensuring timely and up to date provision of relevant information to shareholders in general.

Furthermore, addition of one independent director within the board reduces the FRL by approximately 12 days. Moreover, the result further indicates that company size plays a significant role in reducing the FRL by at least 4 days on average. This might be connected to the used of professionals and highly skilled man power by the company and continues monitoring and supervision by regulators and trade unions, as reported by (Carslaw and Kaplan, 1991; Hossaini and Tailor, 1998; Ashton, *et al.*, 1989).

Conclusion

The paper assesses the relationship that exists between corporate governance features such as board meeting frequency and attendance, independent directors composition, nomination committee size and audit report lag in Nigerian listed banks. A sample of 8 listed commercial banks was selected for the study, due to data availability. Data were collected and analysed from the corporate governance report using Bloomberg terminal of the 8 sampled listed commercial banks for the period of 5 years from 2010 to 2014. The significance of FRL has been highlighted, which will enable all stakeholders to make relevant and informed economic decision about their investment. Therefore, this is consistent with the findings of Ishaq and Che-Ahmad, (2016). Thus, companies are expected to publish on timely basis their annual report and accounts. The result of the study further reveals that increase in the number of independent directors will also reduces delay by companies in publishing their annual accounts.

Furthermore, the findings of the this study corroborate with (Carslaw & Kaplan, 1991; Hossaini & Tailor, 1998; Ashton, *et al.*, 1989), in the sense that using the service of experts and up to date monitoring and supervision reduces unnecessary delay in publishing the financial report by listed commercial banks in Nigeria. Hence, there is need for shareholders to lay their support to companies, so that they can employ professionals/skilled labour.

This concludes that, there is need for listed Nigerian commercial banks to increase the number of their independent directors to add to the board composition. Thus lead to timely release of published accounts to enable economic decision by shareholders in respect of their investment in the banks. This is because independent directors are less likely to be excluded from decision making and given restricted access to information and boards that take all views into account in decision making may end up making better decisions. Moreover, independent directors with different viewpoints to question the actions and decisions of executive directors as they are taking place should lead to better decision being made. Possibly the banks can adopt the use of a two tier board to reduces the effect of agency problems/cost (Sani and Chabbal, 2016).

By and large, there is need for further research in this area as regard to cultural and ethnic difference; to see how they affect individual committees within the corporate governance characteristics and their effect on ensuring timely release of published annual reports and account by Nigerian. This is considered necessary as research in the FRL in Nigeria is so scanty; therefore necessitate the filling of knowledge gap in Nigerian context.

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Effect of Monetary Policy Instruments On the Performance Of Deposit Money Banks In Nigeria

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Abstract
This research investigates the effect of monetary policy instrument on the performance of deposit money banks in Nigeria. The research was based on country aggregate level annual data that covered a period of twenty three years spanning from 1990 – 2013 through the application of ordinary least square (OLS) method of regression and Augment Dicky – Fuller techniques in testing the unit root property of the series. The results of the unit root test suggest that all variables in the model are stationary at d(1) and the trace test indicated 1 co-integration test. The regression result indicated that monetary policies significantly affect banks. The major findings of this research is that effective monetary policies should direct on manipulating instruments and importance should be placed on justification for adopting a particular policy be rationalized in order to increase growth in economy, CBN should redefine monetary policy instruments in order to be more attractive to the DMBs and this will enable deposit money banks to embrace them beyond mere compulsion.

Keywords: Deposit money banks, monetary policy, money supply, interest rate and exchange rate.

1.0 Introduction

Monetary policy is a combination of measures designed to regulate the value, supply and cost of money in an economy, in consonance with the anticipated level of economic activity (Folawewo&Osinubi, 2006). The purpose of monetary policy includes macro-economic goals of full employment, curb of inflation, price stability, exchange stability, wealth distribution, efficient resource allocation, favorable balance of payment and industrial development (Ojo, 2002).

The central bank is responsible for the conduct of monetary policy to pursue those objectives. Central banks in the world such as the Central Bank of Nigeria (CBN) often employ certain monetary policy instruments like bank rate, open market operation, changing reserve requirements and other selective credit control instruments. Although, some of the objectives depend on each other, for example, the objectives of price stability often conflicts with the objectives of interest rate stability and high short run employment.

For a country such as Nigeria to achieve economic stability, she must place importance on efficient monetary policy. It is important to note that the CBN has not been able to come up with sound monetary policy in the recent years to achieve the objectives.

The pursuit of price stability invariably point towards the indirect pursuit of other objectives such as economic growth, which can only take place under conditions of price stability and allocate efficiency of the financial markets. This policy employs CBNs control of the money supply as instrument for accomplishing anticipated economic goals. However, according to Newman Enyioko (2012) monetary policy is used in fixing the deficiencies in the financial sector for sustainable development and promotes economic growth.

Theoretical and empirical literature have emphasized on the role of monetary policy instruments on countries economic growth and stability. Monetary policy instrument is used in restoring to equilibrium any perceived distortion on macroeconomic variables. A significant channel through which these policy objectives are achieved is through the DMBs. It is part of the responsibility of DMBs banks to assist in implementing the objectives. This is to say that monetary policy adjustments are inherent or indigenous in the DMBs banks net performance and profit. Monetary policy instruments when efficiently used is one of key drivers of economic growth through its impact on macro-economic variables. These instruments are intended to control the overall level of credit in the economy through DMBs banks.

Also, these monetary policy instruments are used as expansionary tools to increase the total supply of money in the economy such as curbing unemployment during period of recession by lowering the interest rate in the hope that easy credit will entice business to expand as well as curbing inflation so as to avoid the resulting distortions and deterioration of assets values.

These annual rituals of dishing out the monetary policies in Nigeria are expected to achieve high level of economic development, among other objectives. However, it is believed that inspite of the many years these policies have been used, there appears not to be seen much accompanying and noticeable economic development.

Despite these literatures, there was no enough literature on the effect of monetary policy instruments and the performance of deposit money banks performance in Nigeria and where they were found, they were faulty and obsolete. They cornered in one aspect and not done in Nigeria. Also, the processes of research were not well conducted.

1.2 Statement of problem

Monetary policy instrument is one of the vital economic stabilization policy used by all governments in ensuring economic growth and stability. In Nigeria, a number of monetary policy instruments have been designed and applied over the years to achieve the desired result of stable price level, low level of unemployment etc. In the process the DMBs banks are considered the primary vendors in the implementation of the policy; this is to say that the DMBs banks activities cannot be divorce from the prevailing goals of macroeconomic objective of the monetary policy. In their profit maximizing objective, the DMBs banks are always constrained to act within the general economic stabilizing objective of the country such as raising the cash reserve ratio (CRR), liquidity ratio (LR), interest rate (IR), money supply(m2), exchange rate(EXCHG R).

Also because of the inconsistency of the policy dynamism in the banking sector, the banks should keep the pace according to the policy. The policy is not stable because the economy is dynamic. At the time of expansionary monetary policy, DMBs are motivated to increase credit access to investors but during the contractionary monetary policy, the banks are required to limit the circulation of money into the economy. Sometimes the direct approach such as credit rationing may also be applied.

Whatever approach adopted, the motive is for the general economic stability and growth which could not always be in tandem with the profit maximizing objectives of the DMBs. This is to say that discordant policy objective between the monetary policy implementation and the performance of the deposit money banks bank activities cannot be ruled out.

Pertinent question could therefore be the extent to which the changing monetary policy objectives impact on the performance of deposit money banks in the country. Moreover, little empirical evidence can be found explaining the impact of monetary policy implementation on the performance of deposit money banks. The previous literatures largely concentrate on one aspect; investigating the general performance of monetary policy on economic growth. This study seeks to be different by investigating the effect of changing monetary policy objectives on the general performance of the DMBs in Nigeria. Specifically, the study ascertains the effectiveness of the application of money supply (m2), interest rate(Ir), exchange rate(exr) as an instrument of monetary policy in Nigeria on the performance of DMBs.

1.3 Objectives of the study

The main objective of the study was to assess the effectiveness of the monetary policy instruments on performance of deposit money banks in Nigeria. The specific objectives include the following:

i. To investigate the impact of monetary policy instruments on the performance of deposit money banks in Nigeria.
ii. To determine the effect of money supply and interest rate on the performance of deposit money banks in Nigeria.
iii. To investigate the effects of monetary policy on economic growth in Nigeria.

1.5 **Hypotheses**

Ho1: Monetary Policy implementation does not affect the performance of deposit money banks in Nigeria.
Hi1: Monetary Policy implementation affects the performance of deposit money banks in Nigeria.
Ho2: Money supply and interest rate does not affect the performance of deposit money banks in Nigeria.
Hi2: Money supply and interest rate affects the performance of deposit money banks in Nigeria.
Ho3: Monetary policy implementation does not contribute to economic growth in Nigeria.
Hi3: Monetary policy implementation contributes to economic growth in Nigeria.

2.0 LITERATURE REVIEW

This segmentof the research will review the theoretical and empirical literature review. Substantial number of literatures discussing various theories relating to the relationship between monetary policy and the performance of deposit money banks are presented while the empirical literature, on the other hand, discusses various empirical studies on the subject matter.

2.1 Empirical literature review

2.1.2 Monetary policy and banks performance: The Nigerian experience

A lot of researches have been conducted on the impact of monetary policy on economic growth of Nigeria. Some opinions deliberated on the factor responsible for promoting economic growth while some discussed effect of such instruments on economic growth. Most of these earlier studies agreed on the fact that it is logical for banks to have some basic lending principles to act as a check in their lending activities. Since there are many studies in respect of the effect of monetary policy in Nigeria, it is therefore imperative to highlight and consider some factor that economist and professionals alike have proposed as virtually significant in explaining the effect of these instruments on commercial banks performance in Nigeria.

Okoye and Eze (2013) while accessing the effect of bank lending rate on the performance of Nigerian deposit money banks observed that lending rate and monetary policy rate are true parameter of measuring bank performance. Similarly, Felicia (2011) used regression analysis to investigate the determinants of commercial banks' lending behavior in Nigeria. The study discovered that commercial banks deposits have the greatest impacts on their lending behavior. More also, according to CBN (2012), the introduction of a flexible interest rate-based framework, made the monetary policy rate the operating target. The new framework has enabled the bank to be proactive in countering inflationary pressures. The corridor regime has helped to check wide fluctuations in the interbank rates and also engendered orderly development of the money market segment and payments system reforms, among others.

Similarly, in accessing the effect of interest rates on customer savings behavior in the Nigerian banking sector, Ojeaga and Odejimi, (2014) identifies a host of factors that are likely to influence customer confidence in commercial banks such as average income, commercial lending, central bank monetary policy and total annual commercial bank losses. Using quantile regression estimation method, the study found that interest rates were probably increasing bank deposits while income was also found to affect bank deposits in general. Rasheed (2010) used error correction model (ECM) to investigate interest rates determination in Nigeria. The study found out that as the Nigerian financial sector integrates more with global markets, returns on foreign assets will play a significant role in the determination of domestic interest rates.

Okoye, and Eze, (2013) study the impact of bank lending rate on the performance of Nigerian Deposit Money Banks between 2000 and 2010. It specifically determined the effects of lending rate and monetary policy rate on the performance of Nigerian Deposit Money Banks and analyzed how bank lending rate policy affects the performance of Nigerian deposit money banks. They found that lending rate and monetary policy rate has significant and positive effects on the performance of Nigerian deposit money banks. Akabom-Ita, (2012) examined the impact of interest rate on net assets of multinational companies in Nigeria from 1995 - 2010. The regression analysis showed that an increase in interest rate results in reduction in net assets.

Enyioko (2012) examine the performances of banks in Nigeria based on the interest rate policies of the banks. The study analyzed published audited accounts of twenty (20) out of twenty-five (25) banks that emerged from the consolidation exercise and data from the CBN. Applying regression and error correction methods to analyze the relationship between interest rates and bank performance the study found that interest rate policies have not improved the overall performances of banks significantly. Aburime (2008) used a sample of banks with 1255 individual observation on unbalanced panel data over the period 1980-2006 to investigate the macroeconomic determinants of bank profitability in Nigeria. The result revealed that real interest rate, inflation, monetary policy and foreign exchange regime are positively associated with banks' return on assets. Ahmad (2003) reported that interest on loan is the largest constituent of income for Nigerian banks as evidenced from available data and that movement from one interest regime to another could have some effects on the profitability of banks in the system. Ogunlewe (2001) in a study of the monetary policy influence of bank's profitability, using data from Nigerian banks found the determinants of bank profitability to include reserve ratio, permissible credit growth, stabilization securities and exchange rate. The study also found determinants of banks' profitability to include total deposits, Treasury bill rates and lending rates.

2.3.2 Monetary policy and banks performance: The worlds experience

Gertler and Gilchrist (1994) conducted a study that specifically looked at how bank business lending responds to monetary policy tightening. Their study reveals that business lending does not decline when policy is tightened. They concluded that the entire decline in total lending comes from a reduction in consumer and real estate loans. In contrast to Gertler and Gilchrist (1994) study, Kashyap and Stein (1995) find evidence that business lending may respond to a tightening of monetary policy. They find that when policy is tightened, both total loans and business loans at small banks fall, while loans at large banks are unaffected. The differential response of small banks may indicate they have less access to alternative funding sources than large banks and so are less able to avoid the loss of core deposits when policy is tightened.

Punita and Somaiya (2006) investigated the impact of monetary policy on the profitability of banks in India between 1995 and 2000. The monetary variables are banks rate, lending rates, cash reserve ratio and statutory ratio, and each regressed on banks profitability independently. Lending rate was found to have exact positive and significant influence on the profitability of banks which indicates a fall in lending rates will reduce the profitability of the banks. Their findings were the same when lending rate, bank rate, cash reserve ratio and statutory ratio were pooled to explain the relationship between bank profitability and monetary policy instruments in the private sector. Similarly, Samad (2004) study examined Bahrain's commercial banks performances during 1994-2001 with respect to credit (loan), liquidity and profitability. By applying students'-test to the financial measure, it was shown that commercial banks liquidity performance is not at par with the banking industry. That is commercial banks are relatively less profitable and less liquid as expected.

Naceur and Goaid (2010) investigated the determinants of commercial banks interest margin and profitability for Tunisia. The study observed the impact of banks characteristics, financial structure and macroeconomic indicators on banks net interest margin and profitability in Tunisia banking sector for the period of 1980-2000. It shows that individual bank characteristic explains a substantial part within the country variation in bank interest margin and net profit. High net interest margin and profitability tend to be associated with banks that hold a relatively high amount of capital and large overheads size is found to impact negatively on profitability which implies that Tunis banks are operating above their optimum level. The mandatory interest rate according to William (2009) will result to a near shut down in lending ratio volume to any bank with major credit concern because, new policy ensures that only the highest quality borrowers have access to a new bank credit within the year.

Sufian (2011) examined the impact of bank specific and macroeconomic variables on the performance of Korean banking sector during the pre- and post-Asian financial crisis. A total of 251 bank year observations consisting of 11 commercial banks over the period 1993- 2003 were employed and tested using panel fixed and random effect regression , the result shows that inflation has positive association with banks' return on assets. Alper and Anbar (2011) investigated bank specific and macroeconomic determinants of commercial bank profitability in Turkey over the period of 2002-2010. The study uses both return on asset (ROA) and return on equity (ROE) as proxy for bank profitability. By employing balanced set of panel data and fixed effect model, the result shows that only real interest rate is positively related with profitability in regards to macroeconomic variables. In other words, an increase in real interest rate would lead to an increase in commercial banks' profitability in Turkey. However, Khwarish (2011) which focuses more on determinants of commercial bank performance in Jordan for 2000-2010 periods found that both inflation rate and annual growth rate for gross domestic product have negative and significant effects on both ROA and ROE of the commercial banks.

To conclude the literature review, Molyneux and Thorton (1992) investigated a multi-country setting by examining the determinants of bank profitability for a panel of 18 European countries for the 1986-1989 time periods. They found a significant positive association between the return on equity and the level of interest rates in each country.

2.2 Theoretical literature review

Numerous theories have been proffered which tried to explain the effect of monetary policy. This section explains some of the most commonly accepted theories used to explain the effect of monetary policy instruments on banks performance.

2.2.1 Theories of monetary policy

In investigating the effect of monetary policy instruments on banks performance in Nigeria, some theories were found relevant, these include:

2.2.1.2 Quantity Theory of Money:

This theory states that money supply has a direct, proportional relationship with the price level. There is a direct relationship between the quantity of money and the level of prices of goods and services sold (Investopedia.com). In other words, more money equals more inflation. In a domestic framework, the following equation has been formulated:

Where-

$MV = PY$

M: Money supply/demand
V: Velocity of circulation (the number of times money change hands)
P: Average price levels
Y: GDP

While mainstream economists agree that the quantity theory holds true in the long run, there is still disagreement about its applicability in the short run. Critics of the theory argue that money velocity is not stable and, in the short-run, prices are sticky, so the direct relationship between money supply and price level does not hold. The classical economists view of inflation revolved around the Quantity Theory of Money. In other words, increases in the money supply would lead to inflation. The message was simple: control the money supply to control inflation.

The modern quantity theorists believe that changes in the quantity of money directly affect the real sector and that monetary policy alone is sufficient to stabilize the economy.

2.2.1.3 Loan Pricing Theory:

This theory investigates the relationship between interest rates and banks' performance. It states that banks cannot always set high interest rates. In trying to earn maximum interest income, banks should consider the problems of adverse selection and moral hazards since it is very difficult to forecast the borrower type at the start of the banking relationship, Stiglitz &Weiss (1981). If banks set interest rates too high, they may induce adverse selection problems because high risk borrowers are willing to accept these high rates. Once these borrowers receive the loans, they may develop moral hazard behavior since they are likely to take on highly risky projects or investments (Chodecal 2004).

2.2.1.4 Liquidity Preference Theory:

This theory states that investors want to be compensated for interest rate risk that is associated with long-term issues. Because of the longer maturity, there is a greater price volatility associated with these securities. The structure is determined by the future expectations of rates and the yield premium for interest-rate risk. Because interest-rate risk increases with maturity, the yield premium will also increase with maturity. Also known as the Biased Expectations Theory.

Arbitrage pricing theory (APT) is a general theory of asset pricing which holds that the expected return of a financial asset can be modeled as a linear function of various macro-economic factors or theoretical market indices, where sensitivity to changes in each factor is represented by a factor-specific beta coefficient. The model-derived rate of return will then be used to price the asset correctly - the asset price should equal the expected end of period price discounted at the rate implied by the model. If the price diverges, arbitrage should bring it back into line.

If the afore mentioned theories are examined critically, it can be deduced that the loan pricing theory and the quantity theory of money evidently explains the impact of monetary policy instruments more than the liquidity preference theory, arbitrary pricing. Thus the relevance of loan pricing theory and quantity theory of money becomes imperative as it has a positive effect on the performance of deposit money banks in Nigeria.

3.0 Methodology

This study looked at the effect of monetary policy instruments on the performance of DMBs in Nigeria using secondary data. Being an exploratory research process, the research features 5macroeconomic variables, comprising of 2 dependent variables and 3 independent variables. The dependent variable is the performance of DMBs which is proxied by total assets and GDP while the independent variables are money supply (m2) , interest rate(Ir) and exchange rate(exchr). Using the entire DMBs (24). This research merely used secondary data in handling all the objectives. The time series data were obtained from the Central Bank of Nigerias (CBN) statistical bulletin spanning from 1990 to 2013. Thus OLS techniques was used in the analysis.

3.5 OLS model specification

The model for OLS is given as follows:

i. $GDP_t = \beta_0 + \beta_1 + IR_t + \beta_2 + EXCHR_t + \beta_3 + M2 + Ut$……...(i)
ii. $GDP_t = \beta_0 + \beta_1 + IR_t + \beta_2 + EXCHR_t + Ut$……..(ii)
iii. $GDP_t = \beta_0 + \beta_1 + M2_t + \beta_2 + EXCHR_t + Ut$……...(iii)
iv. $TA_t = \beta_0 + \beta_1 + IR_t + \beta_2 + EXCHR_t + \beta_3 + M2 + Ut$……...................................(iv)
v. $TA_t = \beta_0 + \beta_1 + IR_t + \beta_2 + EXCHR_t + Ut$……..(v)
vi. $TA_t = \beta_0 + \beta_1 + M2_t + \beta_2 + EXCHR_t + Ut$……..(vi)

Where TA and GDP is the dependent variable while $money\ supply\,(m2)$, interest rate (Ir) and exchange rate(exchr) are the independent variables. β_0 , $\beta_1 \beta_2$ and β_3 are the model parameters having the following *a priori* expectations:

$\beta_0 > 0$, $\beta_1 > 0$, $\beta_2 < 0$,

β_0 is to take care of the constant variable, β_1 is the coefficient of M2 which is expected to be greater than zero (β1>0) because it is positively related to performance of deposit money banks in Nigeria. β_2 is the coefficient of IR which is also expected to be greater than zero because it is also having a positive relationship with performance of deposit money banks and exchange rate is expected to be less than zero (β_2 <0) due to its negative relationship with performance of deposit money banks in Nigeria.

Table 1 Descriptive statistics of the basic data

	GDP	INTR	TA	M2	EXCHR
Mean	8.830592	2.941271	7.597080	7.116634	15.50819
Median	8.961335	2.931162	7.821417	7.231711	15.55861
Maximum	10.65483	3.490429	10.09828	9.626433	17.48639
Minimum	5.794872	2.379546	4.418841	3.967647	12.49706
Std. Dev.	1.409831	0.254496	1.835602	1.751971	1.593651
Skewness	-0.573742	-0.250551	-0.150581	-0.132588	-0.399968
Kurtosis	2.370640	3.320257	1.720343	1.843275	2.015414
Jarque-Bera	1.712813	0.353667	1.728221	1.408332	1.609310
Probability	0.424685	0.837919	0.421426	0.494521	0.447242
Sum	211.9342	70.59049	182.3299	170.7992	372.1966
Sum Sq. Dev.	45.71531	1.489675	77.49696	70.59625	58.41365
Observations	24	24	24	24	24

Source: computed from the data

Descriptive statistics

Table 1 presents the descriptive statistics of the data employed in this study. The minimum and maximum values of GDP are 5.794872 and 10.65483 with an average of 8.830592. INTR and TA, vary from a minimum of 2.379546 and 4.418841 and maximum of 3.490429 10.09828 with an average of 2.941271 and 7.597080 respectively while M2 and EXCHR range from minimum values of 3.967647 and 12.49706 and maximum values of 9.626433 and 17.48639 with average of 7.116634 and 15.50819 respectively. All the variables are negatively skewed and the probability significant levels for all the variables (GDP, TA, INTR, M2,EXCHR) are not statistically significant.

Table 4.2: Unit Root Tests Results

S/N	**Variables**	**Intercept**	**Trend and Intercept**	**Adf statistic**	**Probability**	**Critical value**
(i)	GDP		(d(1))	-5.381664	0.0014	1%level -4.440739 5%level -3.632896 10%level -3254671
(ii)	IR	(d(1))		-6.962364	0.0000	1%level -3.788083 5%level -3.012363 10%level -2.646119
(iii)	M2	(d(1))		-4.148051	0.0052	1%level -3.831511 5%level -3.029970 10%level -2.655194
(iv)	TA		(d(1))	-4.453816	0.0109	1%level -4.498307 5%level -3.658446 10%level -3.268973
(v)	EXCHR		(d(1))	-4.862246	0.0042	1%level -4.440739 5%level -3.632896 10%level -3.254671

Table 4.3: Co-integration Tests Results

S/N	**DEPENDENT VARIABLES**	**INDEPENDENT VARIABLES**	**TRACE STATISTIC**	**CRITICAL VALUE**	**PROBABILITY**	**LAGS INTERVAL**	**CIONTEGRATING**
(i)	GDP	M2 , EXCHR	16.45147	3.841466	0.0000	1,1	1
(ii)	GDP	IR , EXCHR	17.48074	12.51798	0.0068	1,1	1
(iii)	GDP	M2, IR ,EXCHR	16.78748	3.841466	0.0000	1,1	1
(iv)	TA	M2, EXCHR	11.91713	3.841466	0.0006	1,1	1
(v)	TA	IR, EXCH	9.326657	3.841466	0.0023	1,1	1
(VI	TA	M2,	10.73983	3.841466	0.0010	1,1	1

)		IR ,EXCHR					

Table 4.4: Linear Regression Results

S/N	Dependent Variable	Independent Variable	Coefficient	T-statistic	Prob.	F - stat.	Prob.	R^2	Adjusted R^2	Durbin-Watson Statistic
i)	GDP	M2 IR EXCHR C	-0.86643 - 0.113024 0.95838 3 - 5083148	0.530448 - 0.530448 - 0.530448 - 2.832801	0.601 6 0.639 6 0.000 0 0.010 3	415.4 05	0.00 0	0.98 4	0.981	1.33116
ii)	GDP	M2 EXCHR C	- 0.070287 - 0.95398 - 5463752	- 0.448528 5.537575 - 3466672	0.658 4 0.000 0 0.002 3	646.8 33	0.00 0	0.98 4	0.982	1.27232
iii)	GDP	IR EXCHR C	- 0.086469 0.867240 - 4.364409	- 0378642 23.78035 - 3.775150	0.708 8 0.000 0 0.001 1	103.7 08	0.00 0	0.98 3	0.982	1.22195
iv)	TA	M2 IR EXCHR C	-0.86643 - 0.113024 0.95838 3 - 5083148	10.42123 0.862270 0.099244 - 0.374035	0.000 0 0.398 8 0.921 9 0.712 3	1873. 821	0.00 0	0.99 6	0.995	0.84409 0
V	TA	M2 EXCHR C	1.031684 0.015683 0.011757	10.53912 0.145728 0.011942	0.000 0 0.885 5 0.990 6	2858. 15	0.00 0	0.99 6	0.995	0.64527
Vi	TA	IR EXCHR C	- 0.195372 - 0.115262	- 0.550790 19.68843 -	0.587 6 0.000 0	450.1 09	0.00 0	0.97 7	0.975	0.5876

			-9.123977	5080988	0.0000					

Discussion

The unit root test, co-integration test and regression were analyzed. The findings of the results were obtained whereby descriptive statistics of the data was presented and all the variables were negatively skewed and the probability significant levels for all the variables (GDP, TA, IR, M2, EXCHR) are not statistically significant. The unit root test results indicated that all the variables are found to be stationary at 1, 5 and 10 percent respectively. These were tested at first difference level under intercept and trend. The ADF and critical values for all the variables are presented at 1, 5 and 10 percent level respectively while the result of co-integration test on the other hand reveal that trace test indicated 1 co-integration between the GDP and M2, IR EXCHR, GDP and M2, EXCHR, GDP and IR, EXCHR, and TA and M2,IR EXCHR, TA and M2, EXCHR, TA and IR EXCHR. Precisely the trace statistic and critical for the variables were found. The linear regression results of the variables used for the study indicated that the coefficient of M2 and the IR are statistically insignificant while the coefficient of EXCHR and constant are found to be statistically significant. This therefore implies that 1 percent change in M2 and IR reduces the GDP while 1 percent change in EXCHR raises

Recommendations

Having recognized that monetary policy instruments affect the performance of DMBs Nigeria. To enhance their profits level, effective monetary policies should be direct on manipulating instruments and importance should be placed on justification for adopting a particular policy instead of others in order to manage the economy.The CBN should also redefine monetary policy instruments in order to be more attractive to the commercial banks and this will enable deposit money banks to embrace them beyond mere compulsion.There is need to strengthen and review bank lending rate policies and effective and efficient supervision and regulation of lending activities. Lastly, it is also suggested that the macroeconomic policies that could support lending rates such as monetary policy rate (MPR) should be set low as these would help to boost credit expansion and invariably returns and profitability of deposit money banks that could impact on the economy positively.

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Analysis of the Economic Strategies on Strategic Natural Resources Leveraging on Kenya's Vision 2030 Strategic Plan for Alleviation of Absolute Poverty in Bomet County

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Abstract
The objective of the research was to analyze unique strategies leveraging on Kenya's vision 2030 strategic plan for alleviation of absolute poverty in Bomet County. The literature review was based on Resource Based View Theory as the recent theory of strategic management recently applied in Asian Countries and Europe and has successfully improved their economic growth. The specific objectives were: to identify the cash and subsistence crops, to determine the economic importance of water, to determine the assistance required by the residents of Bomet County and to identify intervention by the County government in Bomet County leveraging on Kenya's vision 2030 on alleviation of absolute poverty in Bomet County. In the research methodology, the survey design will be adopted in collecting primary and secondary data from households. The targeted population was 141, 219 households from five sub-counties in Bomet County. By comparing Conchran formula and Krejcei and Morgan table the sample taken was 384 households. Questionnaires and interviews schedule were the main research instruments. Secondary data included periodicals, County ministerial reports on absolute poverty. Data analysis was done using descriptive statistics (Percentages and averages), Inferential statistics was part of the data analysis. The Significance of this study was to identify the resources and the likely exploitation strategies that will generate wealth and consequently alleviate absolute poverty in Bomet County. It was established that economic strategies ($r = 0.537^{**}$).

KEYWORDS: (i) Natural resources, (ii) Alleviation, (iii) Absolute poverty (iv) Bomet county.

INTRODUCTION

Statement of the Problem

Despite these positive developments, poverty alleviation has remained elusive particularly from 1980s. Poor economic performance led to increase in absolute poverty, that is, people without adequate food and nutrition, and inadequate access to basic services – education, health facilities, safe water, and decent housing. This has been blamed on poor policy formulation, initiation, planning, and implementation of poverty alleviation programs. The PPARs have broadened perceptions of the poor on the phenomenon of poverty. The studies reveal that the poor have been excluded in formulating policies aimed at alleviating poverty. The poor have, over the years, been reduced to passive participants in their own development; reducing their ownership of poverty alleviation programs. They are not involved in formulating the policies and identifying the specific projects that will raise the level of development, thanks to their non-representation in various policy-making organs and institutions at the grassroots.

Bomet County is endowed with abundant resources but these have not been fully exploited to generate wealth. Some areas of the county experiences extreme poverty, hence necessity that the modern technology and strategic leadership, coupled with the establishment of strategic research institutions should convert these under-utilized resources to produce wealth. The following statistics obtained from Bomet County First Integrated Development Plan (2013-2018 pg. 78): child headed households – 708, absolute poverty- (242, 585 persons – 31%), contribution to national poverty – 0.2%, urban poor - 1024 households (7.8%), rural poor – 381,875 persons (48.8%), food poverty –283,276 persons (36.2%), household with access to portable water – 27,531 households (19.47%) and access to piped water- 11,940 households (8.45%) and Doctor: patient ratio 1: 55,595, nurse: patient ratio 1: 2,727. No study has been done in Bomet County to alleviate absolute poverty (GOK, 2013). The Kenya's vision 2030 has laid down strategies for Kenya. The study therefore seeks to isolate working strategies that will alleviate absolute poverty in Bomet County by strategizing on social, economic, and political pillars to exploit the available recourses in Bomet County. Therefore, the objective of this study was to explore the strategic resources, strategic programs/projects, and infrastructures that can be developed to alleviate absolute poverty in Bomet County.

Research Objectives

The study objectives were to identify the cash and subsistence crops which can reduce absolute poverty in Bomet County, to determine the economic importance of water that can reduce absolute poverty in Bomet County, to determine the assistance required by the residents of Bomet County to reduce absolute poverty and to identify the intervention by the county government to reduce absolute poverty in Bomet County.

LITERATURE REVIEW

Poverty in Kenya

Poverty in Kenya is fueled by a diversity of factors: Unemployment, child labor, HIV/AIDS epidemic and an education system that does not address the needs of the country. Kenya is one of the countries in Africa, which did pretty well in 1970s – 80s in term of covering basic needs. Kenya wasted opportunities. Kenya boasts a young and vibrant population, with 40% underage a big share of it below 15 years. This would be a tremendous opportunity for consumption if only the average income had not been plummeting in the past few years threatening more and more families of destitution. By 2008, unemployment was at 40% of the population. In 2004, Kenya's income poverty rate was 57% of the population. The poverty line is set at $ 1.46 per day in urban areas and $ 0.68 in rural ones, averaging $ 1.07 per day. The poverty indicators in Kenya are as follows:-15 million people are poor in the rural areas (about 49% in 2005) and poverty headcount ratio at national poverty line 45.9% of population.

Kenya is on the path to economic growth; however, poverty alleviation remains a challenge. Nearly half of the country's 43 million people live below the poverty line or unable to meet their daily needs. Kenya is ranked 145th among 187 countries in United Nation Development Programs. Human Development Index, which measures development in terms of life expectancy, educational attainment and standard of living. Poverty and food insecurity are acute in the country's arid and semi-arid lands, which have been severely affected by recurrent droughts. In some counties, harsh climatic conditions, poor application of relevant technologies to utilize abundant resources, lack of subsidized fertilizers and election violence have contributed to extreme poverty in Kenya.

Absolute Poverty in Bomet County

Bomet is one of the counties in Kenya endowed with many resources. Poverty is largely a rural phenomenon and the prevalence of absolute poverty in rural Kenya is 49% (GOK, 2007). Millennium Development Goals (MDGs) target to reduce the proportion of people affected by absolute poverty by 2015 (United Nations 2006).Bomet County is in high potential areas in Rift Valley and it experiences absolute poverty. This is manifested by the presence of the following:

(i) Inadequate Health Facilities- leading to diseases like kwashiorkor, marasmus, rickets, and cholera. Poor sanitation facilities, no safe drinking water, jigger infestation, crime (Rape cases) are some of the examples.

Education – drop out of school children due to: - lack of fees to attain secondary education, inadequate access to technical/business education to equip the youths with trade skills required for self-employment, early pregnancies and infrastructure – inadequate or poor roads to transport farm products to markets especially during rainy seasons. Very few manufacturing industries to process farm products and create jobs to the residents and inadequate financial institutions like cooperative societies to give loan credits to the locals to meet their needs.

(ii) Technology – Inadequate ITs and inability to use them if they are available.

Very few Research and Development institutions (no university research institution) to mitigate uprising problem e.g. Maize Negrital Disease (MND), very few business process off-shoring and outsourcing and lack of establishment of markets both local and international to market their products.

(iii) Resources–Inadequate maximization of resources using scientific technology to generate wealth.e.g. Land, Tea, Flowers, Pyrethrum, Coffee, Tobacco as cash crops and subsistence farming to provide sufficient daily needs.

Bomet County is blessed with under-exploited resources namely tangible, human, and intangible resources that could have been utilized to reduce absolute poverty. Some studies have been done by the Ministry of Agriculture, Swynerton plan (1954) but there is a lot of manifestation of poverty in Bomet County. The objective of this study is to fill the above gap by using strategies that can be utilized to alleviate absolute poverty in Bomet County. Strategically Bomet County should maximize its competitive advantage, minimize competitive disadvantage by generating wealth, and consequently better living standards.

Studies on the Asian Tigers, a term used in reference to the highly free and developed economies of Hong Kong, South Korea, Taiwan, and Singapore were notable for maintaining exceptionally high growth rates (in excess of 7% a year) and rapid industrialization between early 1960s and 1990s. By 21st Century all the four Asian Tigers had developed into an advance competitive advantage, Hong Kong and Singapore have become international World leaders in manufacturing information technology. Their economic success stories have served as role models for many developing countries especially the Tiger Cub economic (Malaysia, Indonesia and Vietnam). By 1963, Kenya was a head of the above countries in the development status yet today, the Asian Tigers are far ahead of Kenya. Therefore, Bomet County should re-think and re-engineer how to use the unique strategic resources in the County, generate wealth, and consequently alleviate absolute poverty. What is required is to examine ecological factors of a country and develop strategies relevant to their environment in time. It is now that Bomet County deduces strategies unique to the county and enacts them for its benefit and thus alleviates absolute poverty.

Kenya's Vision 2030 and poverty alleviation
The Kenya's vision 2030 was to make Kenya a globally competitive and prosperous nation by 2030. The vision aimed at implementing the flagship projects identified under vision 2030 as well as other key policies and programs over the twenty years. Kenya's vision 2030 envisage the use of Economic pillar, Social pillar and the Political pillar as the cornerstone of generating wealth in Kenya by 2030. In itself is a good blue print. Social equity and equitable access to public services have been part of nation's development agenda since independence. However, concerns have been raised on the extent of disparities between rich and the poor and inequitable distribution of public resources between individuals, regions and along gender lines.

Attempts to Alleviate Absolute Poverty in Bomet County
Poverty is prevalent in all the sub-counties in Bomet County, but the degree and causes vary. The average number of households living below poverty line is 51% of the total county population. The most affected divisions are Sigor, Longisa, Siongorio, Sotik and Kimulot. The Kenya Integrated Household and Budget Survey Report (KIHBS) 2005 indicate that most of the poor people are those living in major centers, tea estates and in the lower zones of the county. The constitution of Kenya (2010) requires an integrated development-planning framework to enhance linkage between policy, planning, and budgeting. Bomet county Integrated Development plan (CIDP) for the period 2013-2017 was prepared with the County Government Act 2012 and other legislations which stipulates that all county governments shall develop documents to derive their development agenda in collaborations with national government. This was expected to realize the expectation of Kenya's vision 2030, medium term plans and millennium development goals at the county levels.

The first Bomet County integrated development plan (CIDP) for the period 2013-2017 was prepared by department of finance and economic planning in close collaboration with the Sectorial heads. The CIDP is a broad-based consultative process in each of the 25 wards, which brought together a cross section of stakeholders within Bomet County. Poverty is still widely spread in Bomet County, 51% of the total population living below poverty line. Mostly women are affected. About5.2% of the population is infected by HIV/AIDS. The most affected are women and men in the age brackets of (20-29) and (30-39) respectively. A lot of resources and time is spent in taking care of the sick, which should be used on economic activity elsewhere. An estimated 2.5% of persons live with disability in Bomet County. The young people constitute 33% of the total population and are unemployed and vulnerable to many vices that have affected society, leading to drug abuse and alcoholism.

Drunkenness has led youths to commit serious crimes and to be economically inactive resulting in increased dependency ratio as they continue to depend on their parents. The government has put in place mechanism to empower the youths through the provision of soft loans under the youth enterprises fund but the uptake is still low as most youths still lack the right information on the fund. There is also fear of the enterprises failing due to inadequate capacity by the youths to understand prudent business practices and financial management. Due to unemployment and drug abuse, the young people have also suffered from HIV/AIDS pandemic.

Studies on the County Government of Bomet first County Integrated Development Plan (2013-2018), showed that is the old methods of development planning. It does not show the concrete ways of initiating and tackling absolute poverty in Bomet County. It is too general and does not apply the strategic management methods to tackling poverty. More so, there is no mention of absolute poverty. Competitive advantage is the heart of a firm's performance in competitive market. Competitiveness is a framework for analyzing industries and competitors. It describes three generic strategies for achieving competitive advantage: cost leadership, differentiation, and focus. Competition is the core of the success or failure of firms. Competition determines the appropriateness of a firm's activities that can contribute to it's to its performance, such as innovations, a cohesive cultural or good implementation. Competitive strategy is the search for favorable competitive position in Industry, the fundamental arena in which competition occurs.

UK, Ireland, Asian Tigers, China are countries which have created strategies to generate wealth in their countries and thus there has been high growth in GDP and wealth distribution and have reduced absolute poverty and social seclusion. Good governance, leadership and avoidance of corruption and good environment have led to steady growth. Bomet County should be specific on their studies to alleviate absolute poverty, which is unacceptably high. This is the basis of this research study.

THEORETICAL FRAMEWORK

Resource –Based View (RBV)

Birge Wenefeldt developed the Resource-based theory in 1984. It is a method of analyzing and identifying a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities, and intangibles as an organization. The RBV's underlying premise is that firms differ in fundamental ways because each firm possesses a "unique" bundle of resources- tangible and intangible assets and organizational capabilities to make use of those assets. Each firm develops competencies from these resources, and when developed especially well, these become the source of the firm's competitive advantage (Pearce & Robinson, 2007).

In the context of this theory, it is evident that the resources that a firm has will play a big role in the strategic implementation process. This is because no matter how good the strategies are, without the necessary resources to enable the implementation, they remain in the planning phase. The resource-based approach sees firms with superior systems and structures being profitable not because they engage in strategic investments that may deter entry and raise prices above long run costs, but because they have markedly lower costs, or offer markedly higher quality or product performance. This approach focuses on the rents accruing to the owners of scarce firm-specific resources rather than the economic profits from product market positioning. Competitive advantage lies 'upstream' of product markets and rests on the firm's idiosyncratic and difficult-to imitate resources. Every organization has actual and potential strengths and weaknesses; it is important to try to determine what they are and to distinguish one from the other. Thus what a firm can do is not just a function of the opportunities it confronts; it also depends on what resources the organization can master.

This model recognizes resources as key to superior from performance. RBV is an approach to achieving competitive advantage that emerged in 1980s and 1990s. The supporters of this theory argue that organizations should look inside the company to find resources of competitive advantage instead of looking at competitive environment. The County should look at unique strategic resources that will alleviate absolute poverty.

RESEARCH METHODOLOGY

Research Design

The research design that was to be used in this study was descriptive survey. The study collected at collecting information from respondents on their attitude and opinions on the analysis of strategies on alleviation of absolute poverty. The study was descriptive because it seeks to document the current practices without modification of parameters.

Target Population

The targeted area was Bomet County, which has a population of 141,219 households from five sub counties namely; Sotik, Chepalungu, Konoin, Bomet Central and Bomet East.

Table 1: Target Population

Sub-County	Population	No. of Households
Sotik	165, 640	31,878
Konoin	144,038	31, 778
Chepalungu	162, 225	30, 094
Bomet East	126, 077	23, 897
Bomet Central	125, 310	23, 575
TOTAL	**723, 290**	**141, 219**

Sampling Procedure and Sample size

Cochran (1963) developed a formula for determining the sample size. The following formula is used to determine the sample size for a population more than 10000 subjects since the targeted population is 14,219 household, then this was the ideal formula.

$$n = \frac{Z^2 pq}{e^2}$$

Where n = the desired sample Size if the target population is greater than 10000.
Z = the standard normal deviate at the required confidence level (95%).
p = the proportion estimated having characteristic being measured.
q **= 1- p=** the population which was not targeted
e = the level of statistical significance

If there is no estimate available of the population in the target population assumed to have the characteristics of interest, 50% should be used as recommended by Fisher *et al.*, 1992). If the proportion of a target population with certain characteristics is 0.50, the Z- statistics is 1.96 and the desired accuracy is 0.05 significance level, the sample size is:

$$n = \frac{Z^2 pq}{e^2} = \frac{1.96^2(0.5)(0.5)}{0.05^2} = 384$$

Proportional stratified sample was used to allocate the required sample from the five sub counties. Therefore the sample required from the sub-county was calculated as:

$$n_i = \left(\frac{n}{N}\right) N_i$$

n_i = sample required
n = sample size (384)
N = population of households in Bomet County
N_i = population of the strata in the sub-county

Therefore, in calculating the sample required for each sub-county for example in Sotik Sub-county was calculated as:

$$SampleRequired = \frac{384 \times 31{,}878}{141{,}219} = 86.68$$

Hence, the sample taken for Sotik Sub-county was 87.

Krejcie and Morgan (1970) greatly simplified size decision by providing a table that ensure that a good decision model. Table 11.3 provides the generalized scientific guidelines for sample decision from the table the population of 100,000 gives 384 as the sample size to be taken. Hence it agrees with Cochran calculation. By using Cochran formula and comparing with Krejcie and Morgan (1970), the sample obtained was 384. The strata of the sub-counties were calculated proportionally for Sotik, Konoin, Chepalungu, Bomet Central, and Bomet East. Similarly, the samples for the wards were calculated proportionally.

Table 2: Sample Calculation in the Sub-Counties

Sub-County	Population	No of Households	Sample Calculation	Sample
Sotik	165,640	31,878	$\frac{31{,}878}{141{,}219} \times 384 = 86.68$	87
Konoin	144,038	31,778	$\frac{31{,}778}{141{,}219} \times 384 = 85.82$	85
Chepalungu	162,255	30,094	$\frac{30{,}094}{141{,}219} \times 384 = 81.83$	82
Bomet East	126,077	23,897	$\frac{23{,}897}{141219} \times 384 = 64.98$	64
Bomet Central	125,310	23,775	$\frac{23{,}775}{141{,}219} \times 384 = 64.65$	65
Total				**384**

The researcher used simple random sampling to ensure representation from all households in the county. To obtain the sample of 384 households as earlier determined, the five sub-counties were to form the first level of stratification, then the wards as the next levels were drawn using simple random sampling. For example in Ndanai/Abosi ward the samples were:

$$Sample = \frac{6{,}746 \times 87}{31{,}878} = 19$$

Hence the sample allocated to Ndanai/Abosi ward was 19 respondents

Table 3: Sample Allocation in the Sub-Counties and Wards

SUB COUNTY	HOUSEHOLD	SAMPLE	WARD	HOUSEHOLD	SAMPL

	S	**(1)**		**S**	**E (2)**
SOTIK	31,878	87	Ndanai/	6746	19
			Abosi	6500	18
			Chamagel	6001	15
			Kipsonoi	7244	20
			Kapletundo	7387	15
			Rongena/		
			Chebilat		
CHEPALUNG U	30,094	82	Kongasis	5166	14
			Nyongores	6706	18
			Sigor	6335	17
			Chebunyoi	6469	18
			Siongiroi	5418	15
BOMET EAST	23897	64	Merigi	5297	14
			Kembu	5021	14
			Longisa	5465	15
			Chemaner	3489	10
			Kipreres	4625	12
BOMET CENTRAL	23572	65	Silibwet Township	5394	15
			Ndarawete	4109	11
			Singorwet	3930	11
			Chesoen	6466	18
			Mutarakwo	3673	10
KONOIN	31,778	85	Chepchabas	8826	23
			Kimulot	4420	12
			Mogogosiek	5688	15
			Boito	6618	18
			Embomos	6226	17
GRAND TOTAL	**141,219**	**384**		**141,219**	**384**

Instrumentation

The researcher used questionnaires as the data collection instruments. Both primary and secondary data were collected. Primary data were obtained using questionnaires. Secondary data were obtained from the internet, Journals, government publications and magazines. The questionnaires were both structured and unstructured questions so that qualitative and quantitative data were collected for the study. The questionnaires were structured to cover four specific objectives given. Questions covering dependent variables were included. For convenience and better analysis, a five point Likert Scale was used for the closed- ended questions. A self-administered questionnaire was constructed based on the above-mentioned instruments. The first section of the questionnaire contained questions relating to employee biographical data, which included the age, gender, and work experience. The second part contained propositions on each of the research objectives based on 5 point Likert scale. The last section, contained propositions on a Likert scale on measurement of effective organizational performance.

Data Analysis

The first step in data analysis was to describe or summarize the data using descriptive statistics. The purpose of descriptive statistics was to enable the researcher to meaningfully describe a distribution of score using few indices of statistics. The descriptive statistics, which was used in this study, measured central tendency (mode, mean, and media) and measure of dispersion (ranges, variance, and standard deviation). Inferential statistics will be used in this study. Inferential statistics deals with inferences about population based on results obtained from samples. The more representative a samples, the more generalize the results will be to the population. Inferential statistics therefore concern with determining how likely it is for the results obtained from the sample to be similar to the expected from the entire population. Inferential statistics were Karl Pearson's Coefficient, Chi square analysis and regression analysis which are described below.

Pearson Correlation

According Chatfield (2004), correlation is a statistic that describes the association between two variables. The Karl Pearson correlation coefficient is probably the single most widely used statistic for summarizing the relationship between two variables. Under certain assumptions, the statistical significance of a correlation coefficient depends on just the sample size, defined as the number of independent observations. If time series are auto-correlated, an "effective" sample size, lower than the actual sample size, should be used when evaluating significance. But if many correlation coefficients are evaluated simultaneously, confidence intervals should be adjusted to compensate for the increased likelihood of observing some high correlations when no relationship exists.

The Karl Pearson's coefficient of correlation (r)can be calculated as:

$$r = \frac{\sum (Xi - \acute{X})(Yi - \acute{Y})}{n\,.\,\sigma x \sigma y}$$

$$r = \frac{\sum (Xi - \acute{X})(Yi - \acute{Y})}{\sqrt{(\sum Xi - \acute{X})^2 . \sum (Yi - \acute{Y})^2}}$$

Where: Xi = ith value of X variable

$\acute{X}$ = mean of X

Yi = ith value of Y variable

$\acute{Y}$ = Mean of Y

σ_X = Standard deviation of X variables

σy = Standard deviation of Y variables

Karl Pearson coefficient (or product moment correlation) has the value '**r**' lies between ±positive values of '**r**' indicate positive correlation between two variables. Negative values indicate negative correlation between two variables. A zero value of **'r'** indicates there was no association between the two variables. When r = (+)1, it indicates a perfect positive correlation and when it is (-) , it indicates perfect negative correlation meaning that variations in independent variable (x) explain 100% of variations in the dependant variable (y) hence **r** is given as $-1 \leq r \leq 1$

Chi-square (χ^2 - Square) Analysis

Chi-square analysis is statistical technique, which attempts to establish the relationship between two variables both of which were categorized in nature, comparing actual data to theoretical data. The test was a technique with which was possible for all researchers to test the goodness of fit, test significance of association between two attributes and test the homogeneity or the significant of, population variance. Chi-square analysis can be calculated as:

$$\chi^2 = \frac{\sum (f_o - f_e)^2}{\sum f_e}$$

Where f_o - actual observations and f_e – expected observations

The Chi-square technique yields one value, which was equal or greater than zero. To determine the significance of our test we compared the obtained Chi-square value with critical or tabled value. In every analysis, the researcher often has to choose the significance level of the test, which can be either 0.05 or 0.01.

RESULTS

Economic Strategies and Alleviation of Absolute Poverty

The study sought to establish the economic strategies leveraging Kenya's vision 2030 and its effect on alleviation of absolute poverty in Bomet County, Kenya. The findings of the sections on economic strategies are presented in various subsections. The findings on the number of acreage per household are presented in Table 4.

Table 4: Distribution of Number of Acreage Per Household

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2	193	59.8	59.8	59.8
	3-4	80	24.8	24.8	84.5
	5-6	27	8.4	8.4	92.9
	over 7	23	7.1	7.1	100.0
	Total	323	100.0	100.0	

From the findings in Table 4, it was established that majority of the respondents (59.8%) had between 1 to 2 acres of land, 24.8% had between 3 to 4 acres of land, 8.4% had between 5 to 6 acres of land while only 7.1% had over 7 acres of land. The findings shows a general trend of reduced land size ownership across the country arising from increased population, enhanced land subdivision, and increased sell of household land. The study further sought to establish the economic cash crops carried out in the respondent's homesteads. The findings of the economic cash crops carried out in the respondent's homesteads are presented in Table 5. The findings indicate that most farmers (69.3%) grow tea, 10.8% grow tobacco and 10.8% grow coffee. Further, less than 10% of the respondents grow the other cash crops.

Table 5: Distribution of Respondents on Economic Cash Crops

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tea	224	69.3	69.3	69.3
	Flowers	6	1.9	1.9	71.2
	Pyrethrum	13	4.0	4.0	75.2
	Tobacco	33	10.2	10.2	85.4
	Sugarcane	12	3.7	3.7	89.2
	Coffee	35	10.8	10.8	100.0
	Total	323	100.0	100.0	

The study also sought to establish the cash crops that need to be introduced that would be of economic importance to the households in the county. The findings of the cash crops to be introduced are presented in Table 6.

Table 6: Distribution of Cash Crop to be Introduced

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Flowers	61	18.9	18.9	18.9
	Tobacco	17	5.3	5.3	24.1
	Sugar cane	26	8.0	8.0	32.2
	Coffee	120	37.2	37.2	69.3
	Cotton	27	8.4	8.4	77.7
	Pyrethrum	60	18.6	18.6	96.3
	Tea	9	2.8	2.8	99.1
	French beans	2	.6	.6	99.7
	Sunflower	1	.3	.3	100.0
	Total	323	100.0	100.0	

From the findings in Table 6, majority of the respondents (37.2%) noted that coffee should be introduced, 18.9% noted that flowers should be introduced while 18.6% noted that sugarcane should be introduced. Other cash crops to be introduced included cotton (8.4%), tobacco (5.3%) and tea (2.8%). The study also sought to establish the current use of water in the county and the findings are presented in Table 7.

Table 7: Distribution of Current Use of Water

	Frequency	Percent	Valid Percent	Cumulative Percent
Drinking	15	4.6	4.6	4.6
washing	14	4.3	4.3	9.0
Animal consumption	3	.9	.9	9.9
Irrigation	21	6.5	6.5	16.4
Others	9	2.8	2.8	19.2
Home use (drinking and washing)	20	6.2	6.2	25.4
Domestic use (Drinking, washing and animals)	199	61.6	61.6	87.0
Home use and Domestic use	14	4.3	4.3	91.3
All	28	8.7	8.7	100.0
Total	323	100.0	100.0	

The researcher further sought to establish other economic importance of water in the county that would help in reduction in absolute poverty. The findings, which were based on a 5-point Likert scale, are presented in Table 8.

Table 8: Descriptives on Other Economic Importance of Water

		SD	D	U	A	SA	χ^2	Sig.
Other economic importance of water in that can reduce absolute poverty.	Irrigation	54 (16.7)	30 (9.3)	30 (9.3)	121 (37.5)	88 (27.2)	96.520	.000
	Generation of electricity	41 (12.7)	18 (5.6)	70 (6.2)	161 (49.8)	63 (25.7)	222.124	.000
	Fish farming	27 (8.4)	18 (5.6)	31 (9.6)	140 (43.3)	107 (33.1)	188.811	.000
	Sporting activities	57 (17.6)	30 (9.3)	48 (14.9)	126 (39.0)	62 (19.2)	82.155	.000

From the findings in Table 8, majority of the respondents (64.7%) agreed that irrigation was one of the economic importance of water while only 26% disagreed. Furthermore, majority of the respondents (75.5%) agreed that generation of electricity was one of the economic importance of water while only 18.3% disagreed. Similarly, majority of the respondents (76.4%) agreed that fish farming was one of the economic importance of water in the county while only 14% disagreed. Finally, majority of the respondents (58.2%) agreed that sporting activities was one of the economic importanceof water while only 26.9% disagreed. The findings were all significant as indicated by the chi-square and p-values (χ^2 = 96.520, 222.124, 188.811, 82.155) were found to be significant (P-value=.000).

The researcher further sought to establish the subsistence crops that can be maximized to increase production in the county that would help in reduction in absolute poverty. The findings, which were based on a 5-point Likert scale, are presented in Table 9.

Table 9: Descriptives on Subsistence Crops that can be Maximized

		SD	**D**	**U**	**A**	**SA**	**χ^2**	**Sig.**
Name subsistence crops that can be maximized to increase production	Maize	21 (6.5)	8 (2.5)	28 (8.7)	144 (44.6)	122 (37.6)	248.347	.000
	Beans	5 (1.5)	1 (3)	15 (4.6)	158 (48.9)	144 (44.6)	388.316	.000
	Potatoes	8 (2.5)	7 (2.2)	13 (4.0)	162 (50.2)	133 (41.2)	361.443	.000
	Sweet potatoes	11 (3.4)	8 (2.5)	32 (9.9)	171 (52.9)	101 (31.3)	306.272	.000
	Bananas	8 (2.5)	2 (0.6)	19 (5.9)	164 (50.8)	139 (40.2)	361.598	.000

From the findings in Table 9, it was established that the majority of the respondents (82.2%) agreed that maize is one of the crops that can be maximized while only 9% disagreed. Further, majority of the respondents (93.5%) agreed that beans are one of the crops that can be maximized while only 4.5% disagreed. Similarly, majority of the respondents (91.4%) agreed that potatoes are one of the crops that can be maximized while 4.7% disagreed. In terms of sweet potatoes, majority of the respondents (84.2%) agreed that it is one of the crops that can be maximized in the county. Finally, the majority of the respondents (91%) agreed that bananas are one of the crops that can be maximized while 3.1% disagreed. The findings were all significant as indicated by the chi-square and p-values (χ^2= 248.347, 388.316, 361.443, 306.272, 361.598) were found to be significant (P-value= .000). The researcher further sought to establish the kind assistance required by the various homesteads in order to produce enough food crops. The findings which were based on a 5-point Likert scale are presented in Table 10.

Table 10: Descriptive on Assistance Required for Enhanced Production

		SD	**D**	**U**	**A**	**SA**	**χ^2**	**Sig.**
Assistance to be given to produce enough food crops	Subsidized fertilizers	9 (2.8)	2 (0.6)	5 (1.5)	123 (38.1)	184 (57)	351.319	.000
	Subsidized seeds	5 (1.5)	0 (0)	9 (2.8)	107 (33.1)	202 (62.5)	396.458	.000
	Subsidized ploughing	7 (2.2)	8 (2.5)	18 (5.6)	147 (45.5)	143 (44.3)	295.994	.000
	Credit facilities with low interest rates	7 (2.2)	2 (0.6)	6 (1.9)	130 (40.2)	178 (55.1)	347.170	.000

From the results in Table 10, it was established that most homesteads (95.1%) agreed that subsidized fertilizer is one of the critical assistance that can be given in order to produce enough crops while only 3.4% disagreed. It was also established that most homesteads (95.6%) agreed that subsidized seeds is one of the critical assistance that can be given in order to produce enough crops while only 5% disagreed. Further, it was established that most homesteads (89.8%) agreed that subsidized ploughing is one of the critical assistance that can be given in order to produce enough crops while only 4.7% disagreed. Finally, it was established that most homesteads (95.3%) agreed that credit facilities with low interest is one of the critical assistance that can be given in order to produce enough crops while only 2.8% disagreed. The findings point towards a general agreement in opinion across the entire subsidy program, which suggests lack of capacity amongst most homesteads in producing enough food crops. The findings were all significant as indicated by the chi-square and p-values (χ^2= 351.319, 396.458, 295.994, 347.170) were found to be significant (P-value= .000).

The researcher further sought to establish the interventions that can minimize absolute poverty in the county. The findings, which were based on a 5-point Likert scale, were presented in Table 11.

Table 11: Descriptives on Interventions that can Minimize Absolute Poverty

		SD	**D**	**U**	**A**	**SA**	**χ^2**	**Sig.**
Intervention that can minimize absolute poverty in the county	Increase in employment	4 (1.2)	3 (0.9)	11 (3.4)	120 (37.2)	185 (57.3)	431.969	.000
	Improve balance of payment	5 (1.5)	7 (2.2)	26 (8.0)	139 (43.0)	146 (45.2)	317.666	.000
	Improve new infrastructure	2 (0.6)	3 (0.9)	16 (5.0)	122 (37.8)	180 (55.7)	413.115	.000
	Set-up manufacturing plants	15 (4.6)	3 (0.9)	10 (3.1)	123 (38.1)	172 (53.3)	374.322	.000
	Ensure grain sufficiency	14 (4.3)	1 (0.3)	16 (5.0)	138 (42.7)	154 (47.7)	345.932	.000
	Export of farm produces	15 (4.6)	7 (2.2)	16 (5.0)	142 (44.0)	143 (44.3)	313.889	.000
	Manufacturing goods	6 (1.9)	10 (3.1)	24 (7.4)	151 (46.7)	132 (40.9)	310.700	.000
	Skilled human labour	4 (1.2)	3 (0.9)	20 (6.2)	158 (48.9)	138 (42.7)	364.817	.000

From the findings in Table 11, it was established that majority of the respondents (94.6%) agreed that increase in employment is one of the interventions that can minimize absolute poverty in the county while only 2.1% disagreed. It was also established that majority of the respondents (88.2%) agreed that improved balance of payment is one of the interventions that can minimize absolute poverty in the county while only 3.7% disagreed. Similarly, it was established that majority of the respondents (93.5%) agreed that improving new infrastructure is one of the interventions that can minimize absolute poverty in the county while only 1.5% disagreed. It was also established that majority of the respondents (91.4%) agreed that setting up manufacturing plants is one of the interventions that can minimize absolute poverty in the county while only 5.5% disagreed. Further, it was established that majority of the respondents (90.4%) agreed that ensuring grain efficiency is one of the interventions that can minimize absolute poverty in the county while only 4.6% disagreed. It was established that majority of the respondents (88.3%) agreed that export of farm produce is one of the interventions that can minimize absolute poverty in the county while only 6.8% disagreed.

Similarly, it was established that majority of the respondents (87.6%) agreed that manufacturing goods is one of the interventions that can minimize absolute poverty in the county while only 5% disagreed. Finally, it was established that majority of the respondents (91.6%) agreed that skilled labour is one of the interventions that can minimize absolute poverty in the county while only 2.1% disagreed. The findings were all significant as indicated by the chi-square and p-values (χ^2= 431.969, 317.666, 413.115, 374.322, 345.932, 313.889, 310.700, 364.817) were found to be significant (P-value= .000).

The researcher further sought to establish the successful strategies that can be adopted to enhance alleviation of absolute poverty in the county. The findings, which were based on a 5-point Likert scale, are presented in Table 12.

Table 12: Descriptives on Success of Strategies in Poverty Alleviation

		SD	**D**	**U**	**A**	**SA**	**χ^2**	**Sig.**
Will Bomet county be successful by adopting the following strategies	Accountability	5 (1.5)	1 (0.3)	9 (2.8)	130 (40.2)	178 (55.1)	430.731	.000
	Stabilization of economy	4 (1.2)	3 (0.9)	18 (5.6)	159 (49.2)	139 (43.0)	372.836	.000
	Liberalization of economy	9 (2.8)	1 (0.3)	50 (15.5)	144 (44.6)	119 (36.8)	257.170	.000
	Globalization	5 (1.5)	5 (1.5)	42 (13)	149 (46.1)	122 (37.8)	279.152	.000
	Equal competition	3 (0.9)	12 (3.7)	30 (9.3)	168 (52)	110 (34.1)	317.511	.000
	Transparency	5 (1.5)	2 (0.6)	23 (7.1)	107 (33.1)	186 (57.6)	398.409	.000

From the finding in Table 12, it was established that majority of the respondents (95.3%) agreed that accountability is one of the strategies that the county can successfully adopt while only 1.8% disagreed. It was also established that majority of the respondents (92.2%) agreed that stabilization of the economy is one of the strategies that the county can successfully adopt while only 2.1% disagreed. Further, it was established that majority of the respondents (81.4%) agreed that liberalization of the economy is one of the strategies that the county can successfully adopt while only 3.1% disagreed.

Similarly, it was established that majority of the respondents (83.93%) agreed that globalization is one of the strategies that the county can successfully adopt while only 3% disagreed. It was also established that majority of the respondents (86.1%) agreed that equal competition is one of the strategies that the county can successfully adopt while only 4.6% disagreed. Finally, it was established that majority of the respondents (90.7%) agreed that transparency is one of the strategies that the county can successfully adopt while only 2.1% disagreed. The findings were all significant as indicated by the chi-square and p-values (χ^2= 430.731, 372.836, 257.170, 279.152, 317.511, 398.409) were found to be significant (P-value= .000). The researcher further sought to establish whether infrastructural strategies would reduce level of absolute poverty in the county. The findings, which were based on a 5-point Likert scale, are presented in Table 13.

Table 13: Descriptives on Infrastructural strategies that can Reduce Absolute Poverty

		SD	**D**	**U**	**A**	**SA**	**χ^2**	**Sig.**
If the following strategic infrastructures are improved do they reduce poverty?	Building for businesses	15 (4.6)	7 (2.2)	26 (8.0)	142 (44.0)	133 (41.2)	297.666	.000
	Roads	13 (4)	7 (2.2)	18 (5.6)	104 (32.2)	181 (56)	359.957	.000
	Electricity	16 (5)	5 (1.5)	16 (5)	124 (38.4)	162 (50.2)	329.585	.000
	ICT	14 (4.3)	4 (1.2)	37 (11.5)	126 (39)	142 (44)	259.368	.000
	Dams	17 (5.3)	7 (2.2)	25 (7.7)	152 (47.1)	122 (37.8)	279.957	.000
	Irrigation	17 (5.3)	2 (0.6)	20 (6.2)	120 (37.2)	164 (50.8)	326.985	.000

From the results in Table 13, it was established that majority of the respondents (85.2%) agreed that building for businesses was one of the strategic infrastructures that if improved can reduce poverty in the county while only 6.8% disagreed. It was also established that majority of the respondents (88.2%) agreed that roads was one of the strategic infrastructures that if improved can reduce poverty in the county while only 6.2% disagreed.
Further, it was established that majority of the respondents (88.6%) agreed that electricity was one of the strategic infrastructures that if improved can reduce poverty in the county while only 6.5% disagreed. It was established that majority of the respondents (83%) agreed that ICT was one of the strategic infrastructures that if improved can reduce poverty in the county while only 5.5% disagreed. Similarly, it was established that majority of the respondents (84.9%) agreed that dams was one of the strategic infrastructures that if improved can reduce poverty in the county while only 7.5% disagreed. Finally, it was established that majority of the respondents (88%) agreed that irrigation was one of the strategic infrastructures that if improved can reduce poverty in the county while only 5.9% disagreed. The findings were all significant as indicated by the chi-square and p-values (χ^2= 297.666, 359.957, 329.585, 259.368, 279.957, 326.985) were found to be significant (P-value= .000).

CONCLUSION

Economic Strategies and Alleviation of Absolute Poverty

The study established that irrigation (64.7) was one of the economic importance of water while only 26% disagreed. Furthermore, (75.5%) agreed that generation of electricity was one of the economic importance of water while only 18.3% disagreed. Similarly, (76.4%) agreed that fish farming was one of the economic importance of water in the county while only 14% disagreed. Finally, (58.2%) agreed that sporting activities was one of the economic importance of water while only 26.9% disagreed. The findings were all significant as indicated by the chi-square and p-values (χ^2 = 96.520, 222.124, 188.811, 82.155) were found to be significant (P-value= .000).

It was established that (82.2%) agreed that maize is one of the crops that can be maximized while only 9% disagreed. Further, (93.5%) agreed that beans are one of the crops that can be maximized while only 4.5% disagreed. Similarly, (91.4%) agreed that potatoes are one of the crops that can be maximized while 4.7% disagreed. In terms of sweet potatoes, (84.2%) agreed that it is one of the crops that can be maximized in the county. Finally, (91%) agreed that bananas are one of the crops that can be maximized while 3.1% disagreed. The findings were all significant as indicated by the P-values.

The study found that most homesteads (95.1%) agreed that subsidized fertilizer is one of the critical assistance that can be given in order to produce enough crops while only 3.4% disagreed. It was found that most homesteads (95.6%) agreed that subsidized seeds are one of the critical assistance that can be given in order to produce enough crops while only 5% disagreed. Further, most homesteads (89.8%) agreed that subsidized ploughing is one of the critical assistance that can be given in order to produce enough crops while only 4.7% disagreed. Finally, most homesteads (95.3%) agreed that credit facilities with low interest is one of the critical assistance that can be given in order to produce enough crops while only 2.8% disagreed. The findings point towards a general agreement in opinion across the entire subsidy program which suggests lack of capacity amongst most homesteads in producing enough food crops.

Furthermore, (94.6%) agreed that increase in employment is one of the interventions that can minimize absolute poverty in the county while only 2.1% disagreed. It was noted that (88.2%) agreed that improved balance of payment is one of the interventions that can minimize absolute poverty in the county while only 3.7% disagreed. Similarly, (93.5%) agreed that improving new infrastructure is one of the interventions that can minimize absolute poverty in the county while only 1.5% disagreed. Further (91.4%) agreed that setting up manufacturing plants is one of the interventions that can minimize absolute poverty in the county while only 5.5% disagreed. Similarly, (90.4%) agreed that ensuring grain efficiency is one of the interventions that can minimize absolute poverty in the county while only 4.6% disagreed. (88.3%) agreed that export of farm produce is one of the interventions that can minimize absolute poverty in the county while only 6.8% disagreed. Similarly, (87.6%) agreed that manufacturing goods is one of the interventions that can minimize absolute poverty in the county while only 5% disagreed. Finally, (91.6%) agreed that skilled labour is one of the interventions that can minimize absolute poverty in the county while only 2.1% disagreed.

The study found that (95.3%) agreed that accountability is one of the strategies that the county can successfully adopt while only 1.8% disagreed. It was also found that (92.2%) agreed that stabilization of the economy is one of the strategies that the county can successfully adopt while only 2.1% disagreed. Further, (81.4%) agreed that liberalization of the economy is one of the strategies that the county can successfully adopt while only 3.1% disagreed. Similarly, (83.93%) agreed that globalization is one of the strategies that the county can successfully adopt while only 3% disagreed. It was also noted that (86.1%) agreed that equal competition is one of the strategies that the county can successfully adopt while only 4.6% disagreed. Finally, (90.7%) agreed that transparency is one of the strategies that the county can successfully adopt while only 2.1% disagreed.

The study established that (85.2%) agreed that building for businesses was one of the strategic infrastructures that if improved can reduce poverty in the county while only 6.8% disagreed. It was also established that (88.2%) agreed that roads was one of the strategic infrastructures that if improved can reduce poverty in the county while only 6.2% disagreed. Further, (88.6%) agreed that electricity was one of the strategic infrastructures that if improved can reduce poverty in the county while only 6.5% disagreed. It was established that (83%) agreed that ICT was one of the strategic infrastructures that if improved can reduce poverty in the county while only 5.5% disagreed. Similarly, (84.9%) agreed that dams was one of the strategic infrastructures that if improved can reduce poverty in the county while only 7.5% disagreed. Finally (88%) agreed that irrigation was one of the strategic infrastructures that if improved can reduce poverty in the county while only 5.9% disagreed.

Finally, there was a moderately strong correlation between economic strategies and alleviation of absolute poverty ($r = 0.537^{**}$, p-value = .000). Since the correlation was moderately strong and positive in nature, it was deduced that economic strategies in Vision 2030 had a positive effect on alleviation of absolute poverty and thus an increase in the functional nature of the implementation of the Strategies on Pillars of the Vision 2030 would cause a positive incremental effect on alleviation of absolute poverty.

Recommendations on economic strategies for alleviation of absolute poverty

It is recommended that since economic strategies in Vision 2030 had a positive effect on alleviation of absolute poverty and thus an increase in the functional nature of the implementation of the Strategies on Pillars of the Vision 2030 would cause a positive incremental effect on alleviation of absolute poverty, various economic related strategies should be implemented, monitored and continuously evaluated in order to enhance alleviation of absolute poverty. Various policies must also be developed both on the short-term and long-term that will help- guide the implementation of economic strategies at the grassroots level.

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Investigation on Entrepreneurial Viability of Indigenous Innovations in Kenya. A Survey of Baringo and Nakuru Counties on *Mursik* Milk

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Abstract
Indigenous innovations can aid developing nations embark on a cumulative path of positive growth. *Mursik* is a traditional milk preservation technology among Kalenjin community in the Great Rift Valley in Kenya. However, its success and commercial performance or future potential has remained unknown. This study was aimed at investigating on entrepreneurial viability of *Mursik* commercialization. Data was obtained using semi-structured questionnaires administered on a snow-balled sample of 59 accessed enterprises. The findings obtained indicated that there was huge supply of milk in the proximal catchment area but suppliers preferred delivering their milk to large milk processors who unfortunately had not yet adopted *Mursik* product line. Good news was that the innovation possessed necessary characteristics for potential massive adoption. The researcher therefore recommends further research on rapid production techniques that could conserve the quality of the original *Mursik*, deliver value packaging, and establish promotion and distribution beyond the traditional *Mursik* users.

Keywords: Indigenous innovations, Entrepreneurship, *Mursik*.

1. Introduction

Indigenous innovations can aid developing nations embark on a cumulative path of positive growth; thereby helping them join the ranks of the more advanced nations. Local challenges and opportunities that are as varied as the individual communities themselves, provide great opportunities to stimulate economic growth by capitalizing on the local knowledge and resources residing in the communities (Mehta & Mokashi-Punekar, 2008). According to Matthew (2017) in a study on “Understanding Indigenous Innovation in Rural West Africa”, the missing piece in driving local innovations is the lack of understanding on indigenous or pre-existing systems of innovation as a legitimate aspect for propelling innovations at the community level. The African indigenous knowledge systems, beliefs and practices present African people’s ecological conservation methods for agricultural produce, creation of cultural artefacts such as sculptures, basketry, pottery and even medical practice. Unfortunately this African people’s indigenous knowledge systems have been misunderstood as barbaric and savagery (Gudhlanga & Makaudze, 2012).

Mursik is sour milk with a sharp almost bitter taste popular among the Kalenjin community. The fermenting gourds (called sotet) are first cleaned and left to dry in the sun for a few days. The cleaning is done using bow shaped branches of palm trees called “sosiot” whose edges have been pounded until they become brush-like. During the cleaning the inner linings of new gourds and the coating of previous milk stored in old gourds are removed to prevent passing bitter taste to Mursik. The gourd is then treated by smoking it with Cassia didymobotrya (acacia) or sertwet to impart some preservative and aromatic effect to milk. Burning embers of sticks from the sertwet tree branches are inserted into the gourd and processed into charcoal powder to which freshly boiled cool milk is added. It is argued that sertwet charcoal is herbal with undisclosed medicinal value and it also helps to quicken the fermentation. Unlike in the olden days today the milk is pasteurized first, by boiling and then covered to avoid contamination until it cool before pouring into the treated gourd. The gourd is then corked tightly with a treated lid and stored in a cool place for three days and up to one week for it to ferment (Network F. A., 2000).

For the longest, the name Mursik is synonymous with Kenyan athletics especially after they return from international athletics fete - which the Kalenjin community are popular for world over. Their medalists, as set by tradition, the milk so important that it is transported hundreds of kilometers to welcome these national heroes in the Kalenjin style of celebrating a hero. One then wonders, what is magical about this Mursik? Kalenjins are highland Nilotes who are found in Kenya but recently have immigrated to many parts of the world, especially as sports immigrants. In Kenya, the Kalenjins occupy the expansive Great Rift Valley that is very fertile and productive in crops and livestock. It is here that Mursik technology originates from as a staple diet. The community developed the unique milk preservation technology using indigenous tree species about 300 years ago and the technology has evolved over the years a practice to avoid wastage of milk by preserving and storing excess milk for use during low supply such as during drought or dry season. The technology compares with “chekha mwaka” milk preservation by the Pokot (who are close relatives of Kalenjins); a technique used to treat milk that can be stored for over one year without going bad (Kipsang, 2010). One wonders, has Mursik gained economically exploitable popularity due to the large prominent sports ambassadors from the community who use it to celebrate international athletic success? Does it have mythical attribution to this success or is it just sentimental? What can be done to improve acceptance and use – is it the quality, flavour, smell, colour and palatability of stored milk?

2. The problem

Every community will often times have its cultural wealth of unique indigenous innovative products (Stenou, 2002). The extent to which these cultural products can be commercially viable is not always known. They may remain of great sentimental value with underutilized commercial exploitation yet these communities may be wallowing in poverty while their intellectual property lay in ruin and decay. Worrisome is the fact that such communal asset is a unique cultural preserve possibly not duplicated anywhere else thus potentially under threat of extinction is not developed. The prolonged in-activation of such cultural innovative products often end up “stolen” by foreigners who perceive their value, and patent and commercialize them (Huaman & Sriraman, 2015). Unfortunately, regardless of the wide acceptance and use of *Mursik* among the expanse Kalenjin community and the gradual adoption of the product by other communities in the modern times, the indigenous Kalenjin community is yet to substantially reap commercial this community asset (Kipsang, 2010). This study therefore aimed at investigating on entrepreneurial viability of indigenous innovations in Kenya with specific focus on *Mursik*. The study determined the sufficiency of supply side factors, demand side factors, innovation characteristics, and the moderating effect of innovation promoters. Data was collected using semi-structured questionnaires which were administered by the researcher to 59 businesses’ senior management representatives or owner entrepreneurs selected through snow-balling technique. Data was analysed and summarized using descriptive and inferential statistics and conclusions made on the research objectives.

3. Objectives

The main objective of the study was to investigate on entrepreneurial viability of indigenous innovations in Kenya using the case of *Mursik* in the Kalenjin community. Further, the specific objectives of the study were:

i. To determine the effect of supply side characteristics for viability of an indigenous innovation.
ii. To evaluate how demand side characteristics effected much viability of an indigenous innovation.
iii. To determine the relationship between characteristics of an innovation and the viability of an indigenous innovation.
iv. To assess the moderating effect of the innovation promoters on the viability of the indigenous innovation.

4. Literature Review

4.1 Theoretical review

An innovation can break an economy from its static mode and put it into a dynamic path of fits and starts. Enactment of new innovations has been found to be the greatest means to creating new industries (Braunerhjelm, 2010). While engaging with the natural world, science, and local knowledge systems communities should reconsider the danger of indigenous people pursuing western modern science at the expense of their own local knowledge, and indigenous innovations (Huaman & Sriraman, 2015). The study was based on theory of innovation by Schumpeter (1934), demand and supply theory by Adam Smith (1776), Diffusion of Innovation Theory by Everett Rogers (2003).

Based on theory of innovation by Joseph Alois Schumpter, innovations create new combinations and cause creative destruction (Schumpter, 1934). Joseph Schumpeter defined six different types of innovative activity: new products, new services, new methods of production, opening new markets, new sources of supply, and new ways of organization. Although indigenous innovations like *Mursik* are not new combinations in their bedrock of invention, the activity of generating commercial value that transcends their cultural value qualifies for an innovation. The resultant successful commercialization would help move them to new markets and introduce new processes of production, packaging and distribution.

In his first book, "The Theory of Moral Sentiments," Adam Smith proposed the idea of the invisible hand - the tendency of free markets to regulate themselves by means of competition, supply and demand, and self-interest. Further in 1776 his book, "An Inquiry into the Nature and Causes of the Wealth of Nations", observed that by selling products that people want to buy, the butcher, brewer, and baker hope to make money. If they are effective in meeting the needs of their customers, they will enjoy the financial rewards (Smith, 1776). Even though Schumpeter (1934) does not agree with economic theory about equilibrium, the economic theory of demand and supply has remained fundamental in explaining how markets establish their prices and instil favourable responses to supply goods and meet demand. According to European Commission (2015), "Annexes of First Policy Brief on Supply and Demand Side Innovation Policies", successful commercialization of innovation must have profound evaluation of supply and demand side in view of drivers, barriers and challenges for activating an innovation.

Rogers (2003) defined an innovation as an idea, practice, or project that is perceived as new by an individual or other unit of adoption". Further, he noted that favourable attributes of innovations includes five characteristics: (1) relative advantage, (2) compatibility, (3) complexity, (4) trialability, and (5) observability. About these five characteristics he observed that "individuals' perceptions of these characteristics predict the rate of adoption of innovations". However, there was a lack of research on the effects of the perceived characteristics of innovations on the rate of adoption (Rogers, 2003).

Hausschildt (1999) designed a model on innovation promoters. He argued that, "managing innovation requires a careful division of labour between a number of champions (or promoters), who commit to the new product, service, process or business model innovation." Four types of innovation promoters were described as: the technology, process, power and relations promoter. The paper explored the moderating effect of innovation promoters in supporting and championing success of these innovation from entrepreneur's passion about the product, social cultural promoters, institutional promoters, and regulatory environment. These were identified as unique variables that could be injected into the innovation space to catalyse its successful outcome.

4.2 Empirical review

Innovation climates in developing countries are, by nature, problematic, characterized by poor business and governance conditions, low educational levels, and mediocre infrastructure and this raises particular challenges for the promotion of innovation (Aubert, 2005). China has made concerted efforts to reconcile its primary objective of strengthening indigenous innovation with its leading role in international trade and deep integration into global corporate networks of production and innovation (Ernst, 2011). Further, Ernst (2011) recommended that China needed to find its own institutional and legal approaches to develop a standards system that could both foster indigenous innovation and cope with the challenge of globalization and rising complexity. Lazonick and Mass (1995) found that a central determinant of Japan's phenomenal economic success during the 20th century was indigenous innovations. However, Sanginga, Waters-Bayer, Kaaria, Wettasinha, and Njuki (2009) in their book entitled "Innovation Africa: Enriching Farmers' Livelihoods", opined that understanding the existing innovation process and learning how to support them will be key to the success of individuals and organizations involved in agricultural research and development. They regretted that the extent to which colonialism ignored indigenous wit, technology and knowledge and thus recommended deliberate focus on indigenous innovation as key to unlocking agricultural economic exploitations in Africa.

4.3 Conceptual framework

On account of the research objectives and the reviewed literature the conceptual framework below summarizes the conceptual view of the study variables.

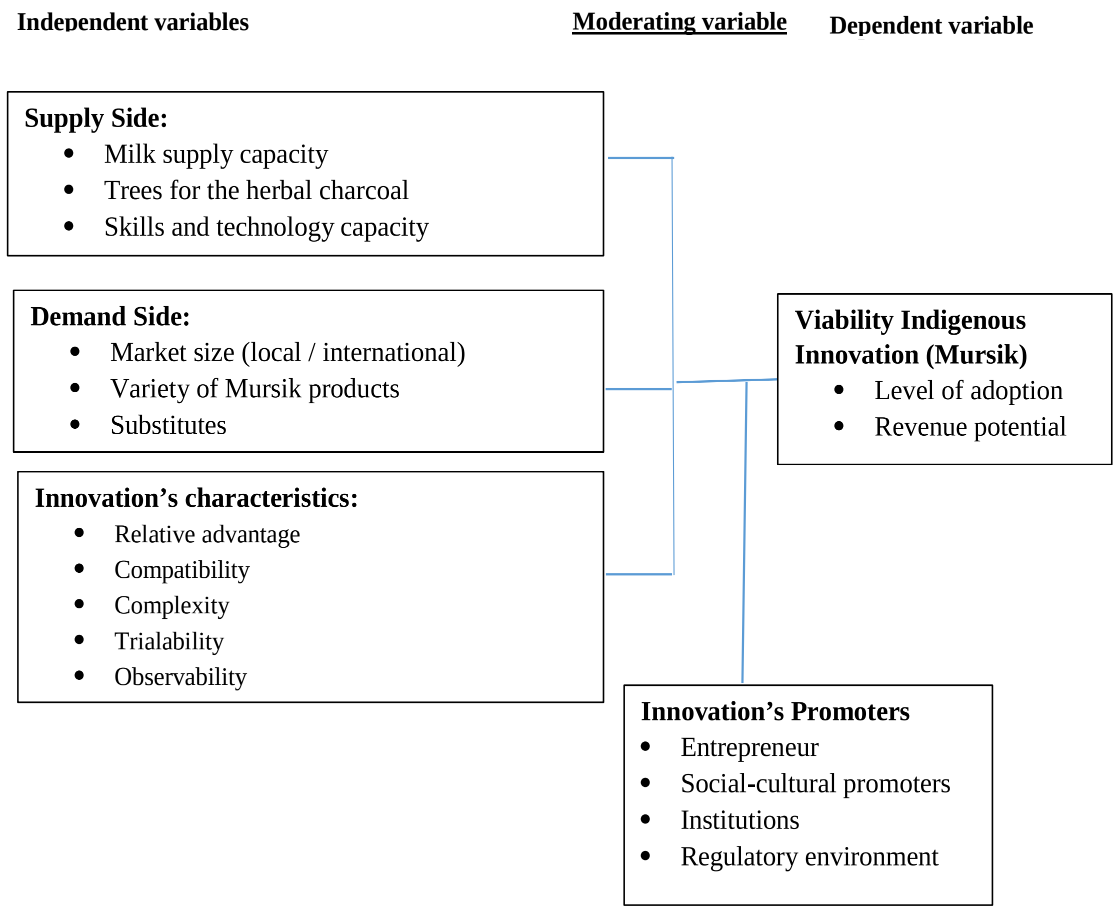

Figure 1: Conceptual framework

5. Methodology

5.1 Research design

The research was based on interpretivist research philosophy. Interpretivist contend that only through the subjective interpretation and intervention can reality be fully understood Goldkuhl (2012). The study research design was exploratory design. Data was be collected and analyzed using quantitative research methods and descriptive statistics. Exploratory Research is suitable where a problem has not been studied more clearly before and establishes priorities, develops operational definitions and improves the final research design. Quantitative research on the other hand emphasizes objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques (Kothari, 2004).

5.2 Target population

The study targeted enterprises in Nakuru and Baringo Counties in Kenya that produced or sold *Mursik*. Nakuru and Baringo counties were chosen for their proximity to the researcher and that they are both home to the Kalenjin community. Nakuru County constitutes eleven sub-counties: Nakuru Town East, Nakuru Town West, Rongai, Kuresoi North, Kuresoi South, Subukia, Bahati, Gilgil, Naivasha, Njoro and Molo. On the other hand Baringo County constitutes five sub counties: Mogotio, Eldama Ravine, Tiaty, Baringo Central, Baringo and South Baringo North. Both counties had a total of sixteen counties out of which five counties were selected based on accessibility and prevalence of the study group. These were Nakuru Town East, Nakuru Town West, Rongai, Mogotio, and Eldama Ravine. Within these counties data was collected from relevant enterprises where *Mursik* was likely to be sold. They included caterers, hotels, foods outlets and food processors.

5.3 Sampling technique and sample size

The sample size included 59 enterprises selected by snowballing technique starting from several enterprises that were initially identified as selling *Mursik* around Kabarak University then extended field data collection to Baringo and Nakuru sub-counties where other target enterprises were found. However, only 35 of those enterprises completed the data collection adequately for analysis. Each provided one respondent who was the senior manager or owner entrepreneur of the enterprise.

5.4 Data collection instruments

Data was obtained using semi-structured questionnaires administered on the purposively selected 59 enterprises. The questionnaires comprised of close ended and open ended questions grouped into items comprising of general data about the enterprise, supply side characteristics and demand side characteristics of *Mursik*, its innovation diffusion characteristics, and entrepreneur's characteristics in the sampled enterprises. The questionnaires were self-administered by the researcher after they were piloted on 5 hotels in Rongai and Nakuru West sub counties. These 5 hotels were not included in the final data analysis. During the data collection, the researcher used a self-introduction letter backed with university identification card. The respondents would be informed of their right to respond or not to respond to any of the questions in the questionnaire or to opt out any time in the process of the data collection. Questionnaires from any respondent who opted out were destroyed and were not analyzed. The questionnaires were administered at the respondent's office or at a service area desk where the respondent preferred and felt comfortable.

6. Results

3.5.1 Distribution of the enterprises sampled

Data about the sampled businesses has been summarized in Table 1.

Table 1: Correlation of characteristics of the enterprises in relation to *Mursik*

		Size of enterprise	No 1	No 2	No 3	No 4	No 5
Size of enterprise	Pearson Correlation Sig. (2-tailed)	1					

	N	35					
No 1	Pearson Correlation	-0.039	1				
	Sig. (2-tailed)	0.822					
	N	35	35				
No 2	Pearson Correlation	-0.231	.731**	1			
	Sig. (2-tailed)	0.182	0				
	N	35	35	35			
No 3	Pearson Correlation	0.252	.567**	0.289	1		
	Sig. (2-tailed)	0.144	0	0.092			
	N	35	35	35	35		
No 4	Pearson Correlation	.485**	.367*	0.162	0.208	1	
	Sig. (2-tailed)	0.003	0.03	0.352	0.23		
	N	35	35	35	35	35	
No 5	Pearson Correlation	0.009	0.162	0.154	-0.029	0.161	1
	Sig. (2-tailed)	0.961	0.352	0.377	0.87	0.355	
	N	35	35	35	35	35	35

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

*. Correlation is significant at the 0.05 level (2-tailed).

Enterprise characteristics measured:

1. Selling *Mursik*
2. Makes *Mursik* in-house
3. Have a problem getting adequate milk for *Mursik* is big given demand for raw milk for other products
4. Have a problem of getting the other inputs for processing *Mursik*, such as herbal charcoal and suitable packaging
5. Have difficulties in getting an expert who can make quality *Mursik*

According to the correlations presented in Table 1 as the size of the enterprise increased it was found that apart from Milk other inputs needed for production of *Mursik* became more and more problematic including suitable packaging (r=0.485, p=0.003). This means that although obtaining milk which is the primary ingredient for producing *Mursik* was not a significant problem to the larger enterprises, these enterprises had a problem adopting production and selling *Mursik* for lack of reliable supply and suitable packaging for *Mursik*. There was a significant positive correlation between enterprises that made their *Mursik* in-house and whether an enterprise sold *Mursik* or not (r=0.731, p<0.001). These means those enterprises that were finding it easy to sell *Mursik* were those that had capacity to produce it in-house rather than buy ready-made *Mursik*. Majority of the enterprises that sold *Mursik* also agreed that to them there was a problem of getting adequate supply of Milk compared to the demand of raw milk for other products (r=0.567, p<0.001). However, the significance of the problem of other inputs needed for production of *Mursik* apart from Milk among enterprises selling *Mursik* was not significant in two tailed Pearson Correlation. This is further illustrated by Table 2 where the problem of getting adequate milk for *Mursik* to the demand of raw milk for other products and size of the enterprise was tabulated. It indicated that regardless of the size of the enterprise, 23 out of 35 firms indicated the problem was fairly small.

Table 2: Cross-tabulation of "How big is the problem of getting adequate milk for *Mursik*?"

		Size of enterprise				Total
		Micro enterprise	Small enterprise	Medium enterprise	Large enterprise	
How big is the problem of getting adequate milk for *Mursik*?	Very Small to Fairly Small	11	9	4	1	25
	Fairly High to Very High	3	4	2	1	11
Total		14	13	6	2	35

According to Table 2 the problem of getting adequate milk for *Mursik* was very small to fairly small to over 71% (25/35) businesses. Therefore, failure to sell *Mursik* in the sampled business could not be directly attributed to lack of adequate Milk supply. However, fewer Micro and Small enterprises 25% (7/27) as compared to Medium and Large enterprises 38% (3/8) indicated that they had a big problem of getting milk for *Mursik*. So a larger number of medium and large enterprises that were not offering *Mursik* was failed to offer it due to supply problems as compared to the micro and small enterprises.

Table 3: Correlation of research variables

		Supply	Demand	Innovation characteristics	Innovation Promoters	Innovation viability
Supply	Pearson Correlation	1	-.538**	-.355*	.411*	.483**
	Sig. (2-tailed)		0.001	0.036	0.014	0.003
	N	35	35	35	35	35
Demand	Pearson Correlation	-.538**	1	.523**	0.002	-.785**
	Sig. (2-tailed)	0.001		0.001	0.99	0
	N	35	35	35	35	35
Innovation characteristics	Pearson Correlation	-.355*	.523**	1	-0.038	-.362*
	Sig. (2-tailed)	0.036	0.001		0.829	0.033
	N	35	35	35	35	35
Innovation Promoters	Pearson Correlation	.411*	0.002	-0.038	1	0.16
	Sig. (2-tailed)	0.014	0.99	0.829		0.36
	N	35	35	35	35	35
Innovation viability	Pearson Correlation	.483**	-.785**	-.362*	0.16	1
	Sig. (2-tailed)	0.003	0	0.033	0.36	
	N	35	35	35	35	35

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

According to Table 3, the correlation of the research variables indicate that there was significant positive correlation for all the three independent variables of Supply, Demand, and Innovation Characteristics to the dependent variable of Innovation Viability ($p = 0.05$) . However, there was no significant correlation between the moderating variable of Innovation Promoters and the dependent variable Innovation Viability. Further, the observed correlations did not indicate sufficient evidence of multicollinearity. The correlation between Supply and Demand is negative. This fits into the theory of demand and supply where the two have an inverse relationship. The moderating variable Innovation Promoters does not have a significant correlation with the three independent variables and the dependent variable as well. Therefore the aggregate contribution of Innovation Promoters does not necessarily amount to increase or decrease of the other variables, apart from Supply. This outcome is perplexing and the specific types of Innovation Promoters were evaluated separately to drill down for the segregated contribution to Innovation Viability. The findings are presented in Table 4.

Table 4: Multiple Linear Regression of Innovation Promoters to Innovation Viability

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.439	.799		1.801	.082
Entrepreneur_Promoter	.696	.084	1.040	8.281	.000
Socialcultural_Promoter	.071	.100	-.059	-.706	.048
Institutional_Promoter	.135	.139	.114	.970	.340
Regulatory_Promoters	.102	.153	.095	.666	.510

Dependent Variable: Innovation Viability

According to the table above Entrepreneur Promoter (Entrepreneur_Promoter) and Social Cultural Promoters (Socialcultural_Promoter) had significant effect in the independent variables' contribution on Innovation viability (Innovation Viability) (0.696, $p<0.01$, 0.071, $p=0.048$, respectively). However, the other two evaluated parameters Institutional promoters and regulatory promoters were not significant. This means having strong entrepreneurial drive can enhance the posture of viability of an indigenous innovation such as *Mursik*. Further, where the business owner leveraged on Social Cultural image of an indigenous innovation, it enhanced the viability of that innovation. Nonetheless institutional promoters and regulatory interventions were not enhancing viability of *Mursik* as an indigenous innovation. Perhaps because of the minimal intensity of such interventions as noted in the survey.

The conceptual view of the study variables was summarized using a multiple linear regression model that is presented in Table 5.

Table 5: Summary Multiple Linear Regression Models

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.566	1.232		4.519	0
	Supply	0.149	0.21	0.093	0.707	0.485
	Demand	0.896	0.166	0.776	-5.403	0
	Innovation Characteristics	0.111	0.186	0.077	0.597	0.055
2	(Constant)	4.722	1.371		3.445	0.002
	Supply	0.006	0.238	0.004	0.027	0.979
	Demand	0.956	0.17	0.828	5.63	0
	Innovation Characteristics	0.11	0.184	0.077	0.598	0.054
	Innovation Promoters	0.419	0.314	0.166	1.336	0.092

Dependent Variable: Innovation Viability

According to model 1 in Table 5, Demand, and Innovation characteristics, (Innovation Characteristics) had significant contribution on Innovation Viability (Innovation Viability) at $p<0.05$. Further, when the model was loaded with a moderating variable of Innovation Promoters (Innovation Promoters) represented in model 2 in Table 5, the same independent variables remained significant to the multiple linear regression. Further, the added moderating variable of Innovation Promoters (Innovation Promoters) was also significant ($p=0.92$). However, Supply was not significant in the model ($p=0.979$). Therefore the moderated conceptual model can be summarized as:

$$Y = 4.722 + 0.956 X_1 + 0.11X_2 + 0.419X_3$$

Where Y = Indigenous innovation viability
X_1 = Demand
X_2 = Innovation characteristics
X_3 = Innovation promoters

This means regardless of the supply capacity of input resources entrepreneurs in indigenous innovations were able to carry out their entrepreneurial undertakings under the drivers of Demand capacity, the innovations characteristics and the moderation of innovation promoters, specifically the entrepreneur's characteristics and social cultural promoters. Therefore, the national and devolved Governments in Kenya should intervene to market their indigenous innovations so as to create demand irrespective of any perceived raw material supply challenges since entrepreneurs were able to surmount such a challenge. However, in order to an indigenous innovation to be viable it also required to possess certain characteristics.

According to Rogers (1986), the four major factors that influence diffusion process include; innovation itself, communication, time and nature of the social system into which the technology is being introduced (Rogers, 1983). It also agrees with Rogers (1995) that someone adopts a product or service if it has characteristics of relative advantage, compatibility, complexity, trialability, and observability which were the parameters used in measuring Innovation Characteristics.

7. Conclusion

The study found that (1) whereas there was huge supply of milk in the proximal catchment area the supply was not consistent and suppliers preferred delivering it to large milk processors who had not yet adopted *Mursik* as part of their line of products. Nevertheless, this was not a significant factor in affecting the indigenous innovation viability. (2) It was noted that demand for *Mursik* was dominated by local community and majority preferred home brewed Murisk for better quality and its social associations. However, this variable was found to be a significant contributor to an indigenous innovation viability. There is therefore a strong case to advocate for interventions that can enhance demand where there is an interest in growing innovation viability for indigenous innovations. (3) It was found that possession of necessary characteristics for potential of massive adoption of an innovation had a positive significant effect on the viability of that indigenous innovation. (4) The moderating role of innovation promoters had mixed effect. Whereas entrepreneur, and social cultural promoters were enhancing the innovation viability, institutional and regulatory interventions had not created any significant effect on enhancing the innovation viability of *Mursik* indigenous innovation. However, the extent to which these parameters of institutional and regulatory interventions could remain indifferent to the moderated regression model was not established. Possibly with heightened application of these interventions they might have some favorable contribution and this can be a subject for another study.

8. Recommendations and Areas for further study

Arising from this study the following are the recommendations. First, necessary strategies for promotion and distribution of *Mursik* beyond the traditional users should be encouraged through social cultural promoters such as sports ambassadors, hosting of cultural events, tourism cuisine seasonal promotions, and so forth. Further research should also be conducted to determine whether variations in institutional and regulatory interventions may eventual have some significant effect on making *Mursik* as an indigenous innovation more viable. This could include operationalization of specification for fermented (cultured) milks standards DKS 05-941 (Kenya Bureau of Standards, 2013) and inclusion of *Mursik* production funding by trade departments in the National and Devolved Governments.

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Effect of Board Composition and Structure on performance of Kenya Football Premium League

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Abstract
Football is an "industry" and clubs "businesses" characterized by competition for resources. The opportunities presented by expanding markets and the challenges of an environment characterized by increasing competition require that clubs successfully position themselves to build sustainable, competitive advantage. The main aim of the study was to analyze the effects of board composition and structure on performance of soccer management in Kenya Premium League. The study adopted descriptive research design taking 96 elected officials and 48 employees. The study used random sampling technique to select the respondents. Data was collected using both primary data collection tools. Structured questionnaires were administered to the selected respondents in order to elicit information related to governance structure of the Clubs whereas both structured questionnaire and secondary data collection form was used to collect information related to Kenya Football Premium League Performance. In spite of board membership being drawn from members who were not necessarily footballs, the board lacked wider representation in terms of gender, institutional representation like the government, age variability making the board not to have the face of Kenya, that is most clubs were aligned to specific tribe or counties, the idea which was a replica of their respective boards.

Key Words: Corporate Governance, Football Performance, Corporate Structures

Introduction

Craig (2005) stated that Corporate Governance is defined and practiced in different ways globally depending upon the relative power of owners, managers and provider of capital. It entails the procedures, customs, laws and policies that affect the way corporations are directed, administered or controlled. An important objective of Corporate Governance is to ensure accountability and transparency for those who are involved in the policy implementation of organizations through mechanisms that will reduce principal agent conflict. Keasey and Wright (1993) define Corporate Governance as a framework for effective monitoring, regulation and control of companies which allows alternative internal and external mechanisms for achieving the laid down objectives. The internal mechanisms include the board composition, managerial ownership, and non-managerial shareholding including the institutional shareholding while external mechanisms includes; the statutory audit, the market for corporate control and stock market evaluation of corporate performance.

Using the agency theory approach (Shleifer and Vishny, 1997) define CG as a process in which suppliers of finance to firms assure themselves of getting a return on their investment. The authors posit that CG is mainly concerned with principal agency problem between ownership and control and it is seen as a set of mechanisms through which outside investors protect themselves against expropriation by insiders. CG is also defined as the system by which companies are directed and controlled to attain the goals as well as the objectives. It is a set of relationship between the company's management, its board, its shareholders and stakeholders that provides the structure through which objectives of the company are set and achieved (Cadbury, 1992).

The board of directors is considered to be the first defense for shareholders‟ interest against aggressive management actions. The roles of the board are not only to monitor management actions but also to work with senior management to achieve corporate legal and ethical compliance (BRC, 1999). Board composition not only refers to its size and the independence of directors but also to the processes for nominating new members and to the remuneration system for board members. The independence of the chairperson of the board and the commitment of independent directors are also important factors. involving Board Structure,Van Der Walt and Ingley (2003) identified some dimension that are implied by the term diversity, they include but are not limited to employing board members of diverse professional backgrounds, gender, age, levels of independence and ethnicity (Van der Walt & Ingley, 2003). They further describe the board of an enterprise as a "pool of social capital". This, by implication, means that the board can also be seen as an intangible asset to the enterprise, an asset which should add value to the enterprise.

Equally important as board size, company should also focus on board independence. The board is composed of both employee of the organization (executive or insider) and senior or influential nonemployee (non-executive or outsider) (Moffett et al., 2006). At least one-third of the board should be nonexecutive director, a majority of whom should be independent (McGee, 2010).

Statement of the Problem

Since the inception of the Football Kenya Federation (FKF) and its leadership, the quality of soccer in Kenya continues to deteriorate. There have been continuous wrangles between the Football Clubs, FKF, the football governing body and the government. Football Clubs on the other hand have a share of their challenges with complaints of players not paid their stipends and poor conditions that discourage players. All these are issues to do with governance which affect football performance. The management of Football in Kenya has faced a myriad of challenges, which include constant leadership wrangles, poorly organized leagues, misused of funds at the federation, lack of sponsors among many challenges. Existing literature that documents governance structure of the Football Clubs and the Football governing body FKF and how board composition and structure affect football performance is scanty of which this study hopes to fill the literature gap by analyzing the effects of board composition and structure on performance of soccer management in Kenya Premium League.`

Literature

Introduction to Corporate Governance

Corporate Governance is the system by which companies are directed and controlled. It specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. It also provides the structure through which company objectives are set and monitoring performance attained (OECD, 1999). A system of organization governance not only provide framework in which business organization are directed and controlled but helps to provide degree of confidence that is necessary for proper functioning of market economy (OECD, 2004).

Pati (2005) stated that the boards and managers are accountable for pursuing effective CG. The role of effective CG is of great significance for society as whole and it enhances the efficient use of scarce resources both within the organisation and larger economy, and therefore there is flow of resources to those sectors where there is efficient production of goods and services and the return is adequate to satisfy the demand of the stakeholders. It assists the managers to remain focused on enhancing performance and ensure they are replaced if they fail to perform. CG forces the organisation to comply with laws and regulations in the corporate environment, and helps the supervisors to regulate the economy objectively without favouritism and nepotism. Effective CG enhances the confidence of investors, which encourages them to invest in those economic systems which are doing well. It also decreases the risk of capital flight from an economy and increases the flow and variety of capital in the economy and as a result, the cost of financing is lower therefore firms are encouraged to use resources more efficiently, thereby underpinning growth. CG has become such a prominent topic in the past two decades and it has attracted worldwide attention because of its apparent importance, particularly due to the much-unexpected collapse of giant corporations like Enron, and WorldCom (OECD, 2004).

The set of mechanisms guiding good CG decision making has been introduced in recent years through the enactment of governance codes throughout the world. The corporate financial scandals have made good CG an important tool for investors and other stakeholders. The scandals have resulted in countries introducing codes of good governance to complement their commercial codes or corporate laws and majority of the codes are voluntary. The principles formulated have provided a broad framework for a large number of countries to develop their own specific principles of corporate governance (Monks and Minow, 2002). The broad membership of the Organisation for Economic Co-operation and Development (OECD) and the Commonwealth Association for Corporate Governance (CACG) organizations suggest that these principles reflect the views of a large number of countries with respect to addressing Corporate Governance (CG). The CG principles are minimum benchmarks against which member countries can compare their systems and carry out country specific initiatives (OECD, 1999).

Corporate governance is a uniquely complex and multi-faceted subject. Devoid of a unified or systematic theory, its paradigm, diagnosis and solutions lie in multidisciplinary fields i.e. economics, accountancy, finance among others (Cadbury, 2002). As such it is essential that a comprehensive framework be codified in the accounting framework of any organization. In any organization, corporate governance is one of the key factors that determine the health of the system and its ability to survive economic shocks. The health of the organization depends on the underlying soundness of its individual components and the connections between them. According to Morck, Shleifer and Vishny (1989), among the main factors that support the stability of any country‟s financial system include: good corporate governance; effective marketing discipline; strong prudential regulation and supervision; accurate and reliable accounting financial reporting systems; a sound disclosure regimes and an appropriate savings deposit protection system.

Corporate governance has been looked at and defined variedly by different scholars and practitioners. However they all have pointed to the same end, hence giving more of a consensus in the definition. Coleman and Nicholas-Biekpe (2006) defined corporate governance as the relationship of the enterprise to shareholders or in the wider sense as the relationship of the enterprise to society as a whole. However, Mayer (1999) offers a definition with a wider outlook and contends that it means the sum of the processes, structures and information used for directing and overseeing the management of an organization. The Organization for Economic Corporation and Development (1999) has also defined corporate governance as a system on the basis of which companies are directed and managed. It is upon this system that specifications are given for the division of competencies and responsibilities between the parties included (board of directors, the supervisory board, the management and shareholders) and formulate rules and procedures for adopting decisions on corporate matters.

Empirical Review of Board Composition

Keys et al. (2003) found significant evidence of a positive relationship between board diversity, proxied by the percentage of women and/or minority races on boards of directors, and firm value, measured by Tobin's Q. Firms making commitment to increasing the number of women on boards also have more minorities on their boards and vice versa, and that the fraction of women and minority directors increases with firm size but decreases as the number of inside directors increases. Hermalin and Weisbach (2001) contended that board- specific phenomena are not quite explained by principal-agent models and note that current theoretical framework including agency theory does not provide clear-cut prediction concerning the link between board diversity and firm value. On the other hand, firms have in recent years been increasingly pressured by institutional investors and shareholder activists to appoint directors with different backgrounds and expertise, under the assumption that greater diversity of the boards of directors should lead to less insular decision making processes and greater openness to change. There are also strong conceptual and business propositions for diversity. A diverse workforce and diverse leadership within the firm can increase its competitiveness as a great variety of ideas and viewpoints are available for decision- making, attract a larger base of shareholders and employees, and help retain existing as well as potentially gain new minority consumer.

Fields and Keys (2003) conduct an extensive review of empirical research on outside directors and find overwhelming support from who support the beneficial monitoring and advisory functions to firm shareholders. A study by Uzun et al. (2004) also finds that a higher proportion of independent outside directors is associated with less likelihood of corporate wrongdoing among U.S. companies.

Empirical Review of Board Structure

It is important to note that board diversity does not mean "window dressing" purely for the benefit of compliance or placating stakeholders, but rather appointing persons to the board based on their merit and not their physical attributes like skin colour, gender or disability status. Reasons for appointing diverse boards can range from a moral obligation to both workers and stakeholders, access to specific markets e.g. be able to comply with standards set for government tenders, expectations from society that enterprises reflect the society in which they operate, or purely striving to find the people with the best fit with regard to experience, skills or knowledge to enable the enterprise to achieve its strategic goals (Van der Walt & Ingley, 2003). An expectation exists that diversity might alleviate insular decision-making on the board due to the wide spectrum of experience and expertise that a diverse board can offer an enterprise (Young & Thyil, 2008). Enterprises are increasingly being put under pressure by stakeholders to appoint board members with diverse ethnic backgrounds, expertise and gender for this reason.

Prior studies provide evidence on the role of board size in enhancing the monitoring of management. Monks and Minow (1995) and Lipton and Lorsch (1992) suggest that larger boards are able to commit more time and effort, and smaller boards are able to commit less time and effort, to overseeing management. Klein (2002) extends this argument by suggesting that board monitoring is positively associated with larger boards due to their ability to distribute the work load over a greater number of observers. The majority of the previous literature supports this argument, by 53 finding that larger boards are strongly associated with lower levels of earnings management (Peasnell et al., 2000a; Bedard et al., 2004; Xie et al., 2003; Yu, 2008).Yu (2008) find that small boards seem more prone to failure to detect earnings management. One interpretation of this effect is that smaller boards may be more likely to be “captured” by management or dominated by blockholders, while larger boards are more capable of monitoring the actions of top management (Zahra and Pearce, 1989).

Board size refers to the total number of BOD of an organization and it includes the CEO and Chairman. The board size also includes the number of outside directors, executive directors and NED (Bhagat and Black 2002). The directors are elected by the shareholders at the AGMs and they do retire depending on the Company’s Memorandum of Association. There is no restriction on the number of board members stipulated under the OECD Code on Corporate Governance although the board is required to include a balance of executive and non-executive directors to avoid the board being dominated by one individual. However under the best practices in corporate governance (Finance Committee on Corporate Governance, 2000) it is recommended that every board examine its size so as to ensure optimum effectiveness.

Webb (2004) investigated responsible firms’ board structures, and found that these firms tend to have a stronger representation of outsider and female directors on their boards. A study by Coffey and Wang (1998) provides more information about the direction of the relationship, as they demonstrated that boards with independent and female members are more likely to proactively enhance CR performance. In other words, responsible firms are not just likely to have more diverse boards, but the boards actually influence the level of CR activities. Coffey and Wang (1998) suggest that this is particularly related to the role that diverse board members take, as they argue that diverse boards are more effective in monitoring and limiting managerial opportunism that would have negative effects on corporate responsibility.

Larkin et al. (2012) also examined the relationship between female board members and companies’ corporate responsibility performance. They looked into Fortune 500 companies, and found that as the number of women directors increased, the probability of a corporation appearing on a listing of responsible companies (e.g. Ethisphere Magazine’s ‘World’s Most Ethical Companies’ and Corporate Responsibility Magazine’s ‘100 Best Corporate Citizens’) increased. As these lists demonstrate the total score of corporate responsibility, the finding could be said to suggest that female board members positively affect a company’s ability to improve their overall CR performance. Bernardi and Threadgill (2010) also studied a sample of Fortune 500 companies and demonstrated that gender diversity is directly related to the total social responsibility score of a company and various corporate responsibility measures.

2.4 Kenya Football Premium League Performance

Firm performance in the literature is based on the value of the firm. CG affects value as a result of reduced expropriation by insiders and improvement in the expected cash flow that can be distributed to investors (Black et al., 2006). To evaluate performance, it is necessary to determine the constituents of good performance using performance indicators. To be useful, a performance indicator must be measureable, relevant and important to the organization (Oakland 1989). Financial performance used in empirical research on CG fit into both accounting-based measures and market-based measures.

The measurement of sports performance depends on the competition and the perspective on which the study is focused. For instance, if the purpose of analysis is the effect of performance on the pitch on attendance, it will be more useful to make use of variables such as the ‘percentage of victories’ (Dawson et al., 2003), ‘number of goals scored’ (Palacios-Huerta, 2002), ‘team’s goal average weighted by relative quality of rival team’ (Koning et al. 2001), ‘score/goal difference’, and even variables which incorporate the ‘playing style’ (Cocco and Jones, 1997). Koning (2003) worked on an evaluation of the effect of hiring coaches on team performance used ‘average goal difference,’ ‘goals conceded,’ and ‘goals scored.’ Goddard (2005) developed two approaches for studying forecast models: goals-based model and resultsbased model. The variables he considered are ‘goals scored’, ‘goals conceded’ and ‘results’, with a ‘points score’ of one point for a win, a half for a draw and zero for a defeat. This study will utilize three sports performance variables: league position variable, league points variable and compound index variable.

Methodology

This study adopted descriptive research design. The target population of the study was the 6 office bearers and 3 employees in the 16 Kenya Premier League teams that comprise the following; Patron, Chairman, Vice Chairman, Secretary General, Treasurer and Organizing Secretary (club officials) and Chief Executive officer, finance officer and the coach (employees). The target population of the study was 96 officials and 48 employees in the in the 16 Kenya Premier League teams which was the 144 people.

Sample size formula was arrived at using the following formula

$$n=\frac{N C^2}{C^2+(N-1)e^2}$$

Where

n= Sample size

N= Population size.

C= coefficient of variation which is $21\% \le CV \le 30\%$

e= margin of error which is fixed between $2\% \le e \le 5\%$

The study sample was calculated at 25% coefficient of variation and 5% of margin of error (Nassiuma, 2000).Nassiuma formula is used to calculate the final sample size

$$n=\frac{N C^2}{C^2+(N-1)e^2}$$

$$n=\frac{144 \times 0.3^2}{0.3^2+143x\,0.02^2}$$

$$n=\frac{12.96}{0.14472}$$

n=88

The researcher therefore collected data from 59officials and 29 employees in the 16 Kenya Premium League teams.

Allocation to the two strata is as follows $= \frac{n}{N} x \ni$ where n= sample size, N= total population and Ni= population of strata

Elected officials = $\frac{n}{N} x \ni$

$= \frac{88}{144} x\, 96$

= 59

Employees $= \frac{88}{144} x\, 48$

= 29

The total Sample (59 elected officials +29employees) was 88 samples.

. Structured questionnaires administered to the selected respondents to elicit information related to governance structure of the Clubs whereas both structured questionnaire and secondary data collection form was used to collect information related to Kenya Football Premium League Performance.

The analysis of the board composition and structure as corporate governance practices and Kenya Premium League performance was analyzed using Pearson Correlation.

To analyze the combined relationship between board composition and structure practices and Kenya Premium League performance, regression model below was used.

$y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where;

y= Kenya Premium League performance

α =constant

$\beta_1 \ldots\ldots \beta_{2d}$ = Parameter estimates

X_1 = Board Composition

X_2 = Board Structure

ε = the error of prediction.

Results

Descriptive Statistics onClubs' Board Composition

This section presents the analysis of the board composition of the clubs in Kenya Premier League. The key variables analyzed included; board composed of club members, wider representation, gender representation, government representation, age variability and board having the face of Kenya.

Table 4: Clubs Board Composition

Composition of the Board	**SA (%)**	**A (%)**	**NS (%)**	**D (%)**	**SD (%)**	**X^2**	**P-value**

Board is composed of only footballers	13	20	13	45	10	80.3	.000
Board has wider representation	12	3	0	57	28	73.4	.000
Board has gender balance	9	9	4	54	24	37.7	.000
Government is represented in the board	4	4	0	60	32	26.5	.000
There is age variability in the board	1	4	0	67	28	103.7	.000
The board has the face of Kenya	5	12	12	56	15	48.3	.000

Source: Field Data (2016)

Table 2 presents the results of the analysis of Kenya Premium League Club's board composition. The study established that majority of respondent 65% disagreed that the board was only composed of footballer compared to 33% who agreed and 13% who were not sure. 85% of respondents disagreed that the club's board had wider representation compared 15% who agreed. Majority 78% agreed that board had gender representation compared to 18% who agreed and 4% who were not sure. Majority 92% disagreed that there was government representations in the board compared to 8% who agreed. Majority of respondents 95% disagreed that there was agreed variability in the board compared to 5% who agreed. Majority 71% agreed that the board had the face of Kenya in terms of representation compared to 17% who disagreed and 12% who were not sure. This finding is supported by Keys et al. (2003) found significant evidence of a positive relationship between board diversity, proxied by the percentage of women and/or minority races on boards of directors, and firm value, measured by Tobin's Q. Firms making commitment to increasing the number of women on boards also have more minorities on their boards and vice versa, and that the fraction of women and minority directors increases with firm size but decreases as the number of inside directors increases. The current poor performance of football among the teams in Kenya Premium League is due to poor board composition as the study has established.

Based on the finding, the boards lack diversity which leads to innovative ideas. This is supported by Knippenberg et al. (2004) and Schippers et al. (2003) who observes that diversity of group membership increases discussion, and enhances the exchange of ideas and group performance. In the context of the board of directors, diversity has been advocated as a means of improving organizational value and performance by providing the board with new insights and perspectives (Carter et al. 2003). Second, if the function of the board is to protect the interests of the corporation's stakeholders, then it stands to reason that the board should comprise members that are representative of these stakeholders (Huse & Rindova 2001).

This finding indicated that the Premium league Club's boards had other board members who were not necessarily footballs, which was a good idea in terms of bring into the clubs varied views that are meant to make the clubs perform well. In spite of board membership being drawn from members who were not necessarily footballs, the board lacked wider representation in terms of gender, institutional representation like the government, age variability making the board not to have the face of Kenya, that is most clubs were aligned to specific tribe or counties, the idea which was a replica of their respective boards.

4.2 DescriptiveAnalysis on Clubs' Board Structure

. The section presents the analysis of the board structure of the clubs in Kenya Premier League. The key variables analyzed included; office composition, term of the board, rotation, government approval and whether the structure worked well for the clubs.

Table 5: Clubs Board Structure

Board Structure	SA	A	NS	D	SD	X^2	P-value
Executive office	10	1	0	64	25	53.2	.000
Exe-officio member	3	10	2	45	40	73.4	.000
Fixed term	7	15	0	50	28	27.7	.000
Chairman post rotational	11	14	0	46	29	20.0	.000
Structure is approved	13	63	5	15	4	20.2	.000
Structure works well	1	18	0	52	29	23.3	.000

Source: Field Data (2016)

Table 3 presents the results of the analysis of Kenya Premium League Club's board structure. The study found out that majority of respondents 89% disagreed that the Clubs had executive officers running the daily affairs of the boards mandates compared to 19% who agreed. Majority of respondents 85% disagreed that the club boards had ex-official members compared to 13% who agreed and 2% who were not sure. Majority 78% disagreed that the clubs boards had fixed term compared to 22% who agreed. Majority of respondents 75% disagreed that the board chairman post was rotational compared to 25% who agreed. Majority 76% agreed that the board structure was approved by the government 19% who disagreed and 5% who were not sure. Majority of the respondents 81% disagreed that the board structure worked well for the organization compared to 19% who agreed.

The poor board structure also lead to poor performance and is supported by Young & Thyil, (2008) who found out that an expectation exists that diversity might alleviate insular decision-making on the board due to the wide spectrum of experience and expertise that a diverse board can offer an enterprise.

The boards lacked independence because of poor structures as supported by McGee (2010) who observes that at least one-third of the board should be nonexecutive director, a majority of whom should be independent.

The finding indicated that Clubs in Kenya Premier League had many challenges as far board structure was concern. Most clubs did not run by executive management which was meant to report to the board. Most activities of the clubs were being directly managed from the board violating the basic principles of corporate governance supported by agency theory. The board did not encourage appointing ex-officials who could handle issues of tribunal and that most board members did not have fixed term making some members feel they owned the clubs. The chairman post was also not rotational making some chairmen lifetime officials. Although the respondents did not agree on most items related to board structure, they agreed that the club's board had represents ions the Government of Kenya Ministry of sports. The board structure did not work well for the clubs in enhancing their performance.

4.3 Effects of board composition and structure on Performance of Soccer Management

The main objective of the study was to analyze the effects of board composition and structure on performance of soccer management in Kenya Premium League. The corporate governance practices analyzed in this study included; practices on clubs board composition and practices on board structure. In order to analyze how each of these corporate governance practices affected performance of soccer management in Kenya Premium League, Pearson correlation was used and in order to further analyze which corporate governance practice contributed more to the performance of soccer management in Kenya Premium League, regression analysis was used.

4.7.1 Pearson Correlation between Corporate Governance Practices and Performance of Soccer Management in Kenya Premium League

Table 6: Correlation between Corporate Governance Practices and Performance of Soccer Management

Variable	Board Composition Practices	Board Structure Practices
Soccer Management Performance	.103	.151

Source: Field Data (2016)

The study established a week positive correlation 0.103 for board composition practices with significance level 0.178>0.05 and aweak positive correlation 0.151 for board structure practices with significance level 0.161>0.05 indicating that Clubs in Kenya Premium League board composition and board structure had insignificant effect on Performance of Soccer Management.

4.7.2 Regression Analysis between Corporate Governance Practices and Performance of Soccer Management

The results of the analysis are presented in Tables 7 and 8.

Table 7: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.31	0.27	0.27	0.82

The R square value was 0.27, which indicated a low degree of correlation. The R^2 value indicates how much of the dependent variable, “Performance of Soccer Management ", was explained by the independent variables, "board composition and board structure”. In this case, 27% was the R Squared, which was fairlysmall indicating that the data collected was not closely fitted to the regression line. 27% of variation in performance is explained by all the independent variables (4) 73% of the variation is unexplained.

Table 4.12: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.

Regression	1.232	3	1.077	2.604	0.279
Residual	7.832	49	.405		
Total	**9.064**	**52**			

Table 8: Full Regression Model

Model	**Unstd. Coef.**	**Std. Error**	**Std.Coef.**	**t**	**Sig.(P)**	**VIF**
(Constant)	1.258	.578		2.177	.034	
Board Composition	.140	.097	.193	1.434	.070	1.87
Board Structure	.019	.122	.020	.156	.877	4.26

. Board composition practices contributed insignificantly to the performance of soccer management in Kenya Football Premium League this was because board composition practice had P=0.070>0.05 indicating that board composition practices did not affect the performance of soccer management in Kenya Football Premium League.

t. board structure practice did not contribute the performance of soccer management in Kenya Football Premium League.

Conclusions and Recommendations

The main aim of the study was to analyze the effects of board composition and structure corporate governance practices on performance of soccer management in Kenya Premium League. The first research question stated as does board composition affect performance of Kenya Football Premium League? The study established that board composition practices contributed insignificantly to the performance of soccer management in Kenya Football Premium League this was because board composition practice had P=0.070>0.05 indicating that board composition practices did not affect the performance of soccer management in Kenya Football Premium League. Further, the second research question stated as does board structure affect performance of Kenya Football Premium League? The study established that board structure practice contributed insignificantly to the performance of soccer management this is because board structure practice had P=0.877<0.05 indicating that board structure practice did not the performance of soccer management in Kenya Football Premium League.

The study recommends that in order for the clubs to improve in their performance, their boards need to be well reconstituted based on sound representation as a corporate governance practices that will ensure gender, institutional, age variability and having the face of Kenya.The study also recommends that the clubs through the ministry of sports should involve all the stakeholders in restructuring the club boards to make it effective, representational and abiding by corporate governance principals. The Ministry of Sports should also capacity build the clubs' board on effective corporate structure that can enhance the clubs performance. Secondly, the Ministry of Sports should ensure that the clubs improve their corporate reporting practices both internally between the board and their respective management teams and also externally between the board and the regulator

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Effects of Social Media Network Sites on Service Delivery in Hotels in Nakuru Town

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ABSTRACT

The importance of social media in enhancing positive relationships between customers and business cannot be gainsaid. This is because they offer new and innovative ways to communicate and network via the internet. There are various platforms provided by the social media networks such as Facebook, LinkedIn, YouTube, Skype, mysite, whatzup and Twitter in the strategic marketing of products and services for the hotel industry. As such, social media networking has become an effective form of marketing which has raised the brand awareness, brand loyalty, customer services and has led to increase in sales. As such it has opened tremendous opportunities for companies to market their products and services using social media. The aim of this study was to investigate the effects of social networking in service delivery in the hotel industry in Kenya. It sought to establish how hotels are utilizing social media in marketing so as to boost awareness amongst its customers. The theoretical background was based on theories of social media. In order to explore, identify and suggest workable policies and strategies in the management of the use of social networking, stratified proportionate sampling procedure has been used to pick the hotels, the study used questionnaires to collect data. Collected data was analyzed using statistical package of social sciences (SPSS) version 22 and presented in tables, figures and charts form. A sample size of 190 employees was used with the end result expected to give the effects of social networking in the hotel industry and how this strategic change can be managed to increase productivity in the industry. The research findings of the study is useful to hotel industry in using social media as a part of its marketing strategy.

The study showed that a huge percentage of 94.1% used social media. This was attributed to the high usage of internet enable smartphones. There was also a noted higher usage of the social media among the younger age groups compared to their old counterparts. Facebook and twitter usage topped the list of the highly used social media networks in the hotel industry that mirrored their usage in the social lives. There is different prevalence of the usage of diverse social media networks for different purposes such as marketing, sales, customer service and giving of information. In the context of marketing, 82.2% of the respondents utilized social media for marketing purposes of which the face book and Google plus topped the usage. The social media was used for marketing to give out new product introduction, product features elaboration and networking with potential customers. In the context of branding, the social media platforms were used by hotels to elaborate certain aspects of their service and standards. The face book and twitter formed the highest used platforms for branding. The hotels used the social media platforms to a higher degree to elaborate on their location, available facilities, technical expertise of workers, and hotel menu amongst other factors.
Keywords: Social media network sites, Service delivery, and Hotel industry.

INTRODUCTION

Background of the Study

The use of social media network sites in organizations is wide and cannot be avoided. Social media network sites have come with the current generation and affected the way of operating in various organizations to reach and engage customers, communicate and market their products. Social networking refers to activities, practices, and behaviours among communities of people who gather online to share information, knowledge, and opinions using conversational media. Conversational media are Web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios (Safko& Brake, 2009). These are changes on how people discover, read, connect, and share information. It can offer business advantages for both private companies and government agencies. Organizations can use social media networks to reach out to mass audiences efficiently at very low cost, promote brand awareness in many different markets and network with potential customers. It transforms monologues into dialogues and transforms people from content readers into content publishers (Cheryl & Heather, 2008).

Currently, entrepreneurs leverage their business development services on the use of internet tools which include social media networks. These services include, among others, information gathering, and networking, consulting in areas like marketing, management, accounting, legal aspects, counseling as well as education and training. Other organizations such as institutions and political parties are trying to keep up with this changing environment and are struggling to use Social Media to their benefit only, thus riding on the wave of Social Media but without any strategy (Robin, Jos & Theo, 2011). But Yankee (2008) argues that using social networking, as e-business format is not so much about soliciting business as it is about establishing yourself as a real, live person with whom others may wish to do business.

Social networking is therefore a change that has emerged in the 21st century and organizations may not have any other way but adopt this change to improve and compete in the current environment in the business world.

It is common knowledge that social media networking is available to anyone with an internet connection and should therefore be a platform that can be recommended to organizations such as the hotel industry. This is because social networking will enable them to increase their brand awareness and facilitate direct feedback from their customers. In essence, a business that understands the advantage of social media is well aware that social media is fundamental in developing new business in the current competitive and online driven marketplace.

While marketing is an important aspect for any business, social media marketing can be useful in reaching out to the people who access these social media platform regularly. This is also because communication is essential for any corporation and business. Therefore either they change the way information is conveyed or be prepared to lose some of the audience. It is imperative for marketing managers in the hotel industry to continuously find a solution to appeal, keep new and current consumers (Schneider, 2009). Social media network is the ideal platform for communication that applies perfectly with marketing in the virtual world. Social media networks are groups of individuals who prefer to communicate with one another through a preferred site based on the profile created for themselves (Laudon&Traver, 2007).

Social media marketing has advantages for marketing. For example it has the ability to reach a wide audience, provides two-way communication, it is accessible and has a viral effect. Social media marketing promises to improve promotional efforts significantly. One of the major advantages of social media marketing is the ability to reach a wide audience breaking down geographic boundaries. Historically communication with others was limited by geographical boundaries and the current technological of the era. Today's social media technologies enable nearly everyone to reach a global audience for interpersonal interaction and exchanging information (Gillin, 2009). Web 2.0 encompasses tools and platforms that enable people from different part of the world to be connected and to exchange information with each other.

The importance of Social Media is still growing and could well become an essential mode of communication towards interacting with the customer and hotels can take advantage of this trend and rip the benefits in terms of online placement and revenue. Many organizations today use social media as a vehicle to reach out to millions of prospective and usual customers. Businesses in the service industry, such as the hotel industry, that engage in constant communication with guests are drastically changing their marketing strategies by choosing this new age interactive media over traditional practices of marketing and public relations. This is considered so because the social media has been lauded as having an increasingly important role in many aspects of the hospitality industry, including guest satisfaction and process improvement.

One of the more intriguing aspects of social media is their potential to move markets by driving consumers' purchasing patterns and influencing lodging performance. The hospitality industry tends to be very customer-centric and also one that prides itself by reaching out to its guests and providing a personalized experience. Social media encourages customer engagement, and it being on Web 2.0, promotes two-way traffic. It allows for a faster response and a low cost investment than is typically achieved with traditional marketing.

Statement of the Problem

There has been a general outcry about the decline in the number of customers in various hotels in Kenya (Kinyua, 2012). This decline has greatly affected the hotel industry leading to a reduction in profits as well as income generated especially because of stiff competition from their counterparts. It is for reason that many hotels have come up with new strategies to reach out to many potential customers. One strategy that has been lauded for its ability to boost sales is the use of Social media network sites. Social media networking can play a significant role in social learning, which can subsequently influence customer choice of hotels. To have a lasting impact, strategies need to be compatible with the structures and functions of social networks in the hotel industry. This study is designed to examine the effects of social media networks in reaching out to customers in four star, three star and two star hotels in Nakurutown.

Objectives of the Study

Overall Objective

To investigate the effects of social media network sites on the hotel industry in NakuruTown, Kenya

Specific Objectives

i. To examine the extent to which hotels in Nakuru Town are using social media networks as a strategic tool for marketing their services.
ii. To determine the effects of social media networks sites on brand awareness of services in the hotel
iii. To establish the effects of the adoption and integration of social media network sites in educating and informing customers
iv. To determine the effects of social media networks sites in increasing sales
v. To determine the effects of social media network sites in improve customer service

Significance of the study

This assessment is meant to help the Managers, employees and customers of various hotels to understand the role and use of social networking in its diversity. The study will not only add to the existing knowledge with regard to the application and effects of the use of social networking in the business operations in organizations, but it will provide insight on some insights on how social media helps in strategic marketing and managing organizational change can benefit the industry, and at the same time concentrate on their primary efforts of ensuring good use of social media by all stakeholders.

LITERATURE REVIEW

Brief history of origin of social networking

Early social media networking on the World Wide Web began in the form of generalized online communities such as Theglobe.com in 1994, Geocities in 1995 and Tripod.com in 1995. Many of these early communities focused on bringing people together to interact with each other through chat rooms, and encouraged users to share personal information and ideas via personal WebPages by providing easy-to-use publishing tools and free or inexpensive webspace. Some communities - such as Classmates.com - took a different approach by simply having people link to each other via email addresses. In the late 1990s, user profiles became a central feature of social networking, allowing users to compile lists of "friends" and search for other users with similar interests.

Here are several social networking. New social networking methods were developed by the end of the 1990s and many sites began to develop more advanced features for users to find and manage friends. This newer generation of social networking began to flourish with the emergence of Friendster in 2002, and soon became part of the Internet mainstream.

MySpace was started in 2003 and was a driving force in popularizing social networking and still maintains a large user base. Facebook was designed as a social networking site for Harvard students. After spreading from Harvard through the university ranks and down into high school, Facebook was opened to the public in 2006. Facebook profiles also include two types of messaging services: a private system; which is similar to webmail service, and public system called ‘the wall’, where friends leave comments to the owner of the profile that can be viewed by other users. Users can create profiles with photos, lists of personal interests, contact information, and other personal information. Users can communicate with friends and other users through private or public messages and a chat feature. They can also create and join interest groups and "like pages" (called "fan pages" until April 19, 2010), some of which are maintained by organizations as a means of advertising. Facebook has been prompted to add a "third gender", "other", or "intersex" tab in the gender option which contains only male and female. Facebook refused and said that individuals can "opt out of showing their sex on their profile. Twitter started out as a microblogging website in 2008 and has quickly grown into a social messaging platform and one of the top social networking in the world. Twitter is phenomenon that transcends social networking to provide an outlet for news, trends, buzz, and chat among many other uses (Cornelius, 2008).

Life therefore is becoming more solitary without social media and ignoring them is almost unthinkable. Since its inception, this social network service has quickly become both a basic tool for and a mirror of social interaction, personal identity, and network building among users.

Social network sites have deeply penetrated users' everyday life and, as pervasive technology, tend to become invisible once they are widely adopted (Human Capital, 2010).

In Kenya, social media has become a familiar phenomenon used by many individuals and organizations alike. Ouma (2010) in the East African's on-line edition says that "Social media ,which has gained popularity with the launch of sites like Facebook, Twitter, LinkedIn, YouTube and MySpace has become an integral part of many Kenyans' lives through which they express their opinions on matters affecting their lives, organizations and brands" (Ouma, 2010). Some organizations in Kenya especially institutions like telecommunication and media televisions have now heavily invested in information technology and online communities to capture customers who are heavy users of the internet.

Facebook specifically, for example, is widely used by celebrities, organizations and even individuals who utilize it for different uses and gratifications. The Kenyan media, for instance, radio and TV have recently complimented the traditional call- in sessions with Facebook and twitter. Additionally interactions like the common opinion polls on Kenyan TV usually in the evening news are shifting to the use of Facebook, twitter and even reading comments posted on the station's Facebook page. Some famous politicians have also shown interest in using Facebook, Skype and Twitter to reach their followers or even seek new support from people whom they become friends with on Facebook, twitter and other social networks. Moreover, Lecturers in various universities use Skype to lecture students within or outside the university premises and Alumni of many universities converge on the social networking and catch up on issues touching their lives.

The greatest challenge, however, is that it is not easy to authenticate the identity of the persons or organizations on social network since the registration process is easy, free and open meaning anyone can call themselves anything including impersonation and still get friends.

What is clear is that more and more organizations are now embracing the use of online communities as a communication channel alongside other forms of communication. However there are many other organizations that are willing to utilize the online communities as a channel but are not convinced of its effectiveness and reliability.

Social media usage has benefitted from rapidly growing internet access, especially as increasing numbers of people use mobile phones for this purpose. Kenya already has a mobile penetration rate of around 50%, and the prices for smart phones keep falling, as do the data tariffs offered by mobile telecommunication companies: Safaricom currently offers virtually unlimited mobile internet access for KES10 a day, Yu's Peperusha service allows people to access the internet via SMS, i.e. users do not even need a Smartphone anymore to use Twitter, and Orange offer 50MB for KES 50 a week (Onsando, 2012).

Social networking is quickly becoming a key source of information for urban Kenyans. Consequently, in addition to straightforward online advertising, corporates also need to be aware of how they can use the digital chatter spaces to provide information about their goods and services, to build their brand, and also to counteract mentions on online media that are detrimental to their image. Social media is changing the way people relate to brands, and more and more people are expecting to interact with brands (Kaigwa, 2010). Social media strategist frames the change that: “Think of it as a room with loads of people in it talking about a brand. The conversation is happening and will happen whether or not the owner is in the room. One might as well take part.”

General Benefits of Social Media Networks

Social networking has many benefits which include knowledge sharing, improved feedback/service, improved marketing and sales. From the organizations’ viewpoint, use of social network channel can enhance relationship to customers if social network is used to gather information from customers, analyze customer information, and respond to customers faster. Prior research on social network has mainly focused on individual perspectives such as the impact of social influence, social presence, behaviour and benefits. Social networking provides an opportunity to enhance relationship between customer and business. Therefore, it’s important to know how to manage social network site in details so that organization can use as the framework to manage social networks more effectively. The better social network site management can make customers feel impression and intention to use the networks. Only effective social network site management can enhance knowledge sharing among employees (Abedniya&Mahmouei, 2010).

According to Pate (2011) the usefulness of social networks is usually determined by their dimension. He further acquires that a network that is not open up to outsiders tends to not be incredibly valuable to its consumers, as they will be limited to what and who they by now know. On the other hand, a network that is open to outside members provides their members the opportunity to meet new people with quite perhaps new suggestions, and new and cultures. Thus, this affords organizations and businesses the possibility to marketplace their goods and solutions to a wider populace. Organizations have regarded the aggressive edge that can be gained, when using these networking internet sites to market their goods. These internet sites have been known to guide in investigation about rivals and competitors, offering data on the current and prospective employees of an organization.

Effects of Social networking on the Hotel Industry

Social networking relies on Internet and Web-based tools and services to enable anyone the ability to publish information on the Web (Computer Economics, 2010). The hotel industry has yet to identify the effectiveness of marketing through the use of social media. This is in spite of an abundance of advantages such as low cost investment, direct customer communication, brand communication and also it acts like a verbal evidence theory that people tend to believe when compared to commercial advertising (Hailey, 2010).

It appears that the hotel industry is very slow to gain momentum towards technology and is reputed to be reluctant to adopt technological advances. This implies that the industry has not leveraged on the power of social networking and integrates it with their marketing initiatives. With consumers becoming more immune to conventional advertising and communication channels, the hotel industry should turn to social media (such as LinkedIn, Facebook, Twitter) as a means of reaching out to their audience. Social Media has become very much part of everybody’s everyday life. In effect, social media is an alternative platform for them to enhance their knowledge and widen their network of connection. But for the non-technological sophisticated users, they can learn from those whom are experienced in the IT aspect (Abreu, 2010).

It seems the hotel industry fears social media because they think that it could be detrimental to employee productivity or even fears that social media has the potential to damage the company's reputation. Bute social media engagement is essential to a business branding and communication yet it can also work against a business if used inappropriately. A social media policy can be developed to educate and provide better understanding for employees to keep within certain parameters and implications of their participation. Nevertheless, there is a need to explore and discover if social media can become the new "tool" for effective branding and marketing purposes.

There are a number of people who consider Social media as just a tool. It is a tool for connection and a medium for broadcasting. These social media tools are recommended to be used in the way they are designed. For example, Twitter and Facebook are used as marketing machines while YouTube functions more as a public relations tool since it is video sharing website. Similarly, LinkedIn is a professional networking tool; it is a site for business minded professionals to keep track of their contacts. According to Mowat (2010) the adoption of social media such as Twitter, Facebook and LinkedIn has opened up a variety of avenues and opportunities to listen to the hotel guest. Owning a website is a form of marketing strategy; there has been a significant increase in marketing over the Internet these days.

The parameters of social networking websites possess several unique implications for the hotel industry including guests, staff, and management. These sites provide a platform for a rating system that can be used to generate, monitor, and evaluate reputation and image of the business. Online consumer-generated content is perceived as highly credible and in fact, more so than information attributed to the hotel entity (Starkov&Mechoso, 2008).

The participation of hotels in online social networking has been shown to be a cost-effective means for interaction and engagement with potential clients. Participation in these websites provides businesses with direct access to active users without the need to adding any additional hardware, or software. A social networking site that is easily accessible, straightforward, and appealing enables participants to become engaged in unique ways. It comes as no surprise that many hotels, restaurants and travel business have entered the social network space. Hotel businesses are proactively interacting with their customers by coming up with innovative customized solutions and much responsive and prompt customer service (Kasavana, Nusair, &Teodosic, 2010). Online consumer reviews play a big part in the choice of hotel and travel consumers make today.

With a rise in the number of social networking sites such as Facebook and MySpace, consumers are given an opportunity to look up reviews by other real consumers; the way information is perceived today has changed considerably. Making a unique social network that allows guests to create a profile and share opinions, feelings, stories and even photos can be a source of competitive advantage or disadvantage. If a guest decides to participate in an online network, shares a testimonial or recounts an experience or downloads content, others in the network are likely to be affected by the opinion of the postings. More so than the content contained at a company specific or industry related website (Green, 2009). Another networking and communication tool that has become popular is blogging. The Travel and Hotels today are faced with consequences that blogs have not only positive impacts but also negative ones, if not managed properly (Thevenot, 2007). This is also because any individual can upload content in the form of images, audio or video for others to respond and comment, which forms the basis of Web 2.0. Web 2.0 has given popularity to user generated content where information is gathered from different online sources all of which collaborate to form the final source (Cox, Burgess, Sellitto, &Buultjens, 2009). An effective means to benefit from this trend is to carefully follow the comments that are posted relating to your business. Research has proven that hotels that engage their customers via social media get their customers to spend more, have higher repeat clientele, and get more referrals from their guests. However good, bad, or ugly, it is vital that no comment goes unnoticed because for every benefit a hotel rakes in with positive feedback, suggestions and tracking consumers it can be on the receiving end of unfair criticism and negative publicity if it leaves important issues unaddressed (Kasavana, 2008).

Effects of social media networks on brand awareness

Social marketing provides visibility and awareness for the brand; this is the awareness that is essential to convert potential customers to loyal customers eventually. The secret is to create a thematic content that can lead to an effective marketing campaign. This move will generate brand awareness and the brand will be top of mind with the consumers if they decide to buy the product or services. For example, on 25 th February 2010, Sony reported that Sony Vaio's Twitter account had achieved over £1 million in sales. Therefore Sony sees Twitter as a viable sales platform (Wares, 2010). Another success story through the use of Twitter is by the third-largest maker of PC, Dell, which reported that its promotions on Twitter have helped generate more than $6.5 million in orders for PCs, accessories and software (Guglielmo, 2009).

Social media keeps the customers stimulated and involved. When a company gets their customers involved and engaged, it leads to lasting working relationships with organizations. The level of customer support increases with the use of social media since it is personal and interactive. In the event of an unfortunate situation, social media may serve as a catalyst to turn this situation into an opportunity for a company to extend their services and go the extra mile to reverse the negative feeling.

Reputation management is a construe component of online activity for organizations with plenty of internet users, especially their customers. Whereas some organizations utilising the internet are cautious to project themselves in a way that suits specific audiences, other internet users embrace a more open approach. For instance, a report by Deloitte, titled 'Hospitality 2015' states that social media and new technology trends are playing the key role over the next five years towards the growth in the hospitality industry. With millions of consumers having internet access around the globe, these numbers are expected to increase by 50% in year 2015 (Deloitte, 2010). Nevertheless, the growth of social media can be positive for consumers but it can be bad news or an opportunity for hotel operators. Jeremy Wagstaff, a commentator on technology has shared that the most effective way to get satisfactory service these days is to tweet about how bad it is. Since hospitality is a leisure industry, social media may act as a disaster item for one's brand (Wagstaff, 2010).

Conceptual frame work

Independent variables

Dependent variables

Organizational service delivery

Social media network sites

- ✓ Facebook
- ✓ Twitter
- ✓ Linkedin
- ✓ Myspace
- ✓ Skype
- ✓ whatsup
- ✓ Mysite
- ✓

- ✓ Brand awareness
- ✓ Customer education
- ✓ Increasing sales
- ✓ Customer service

Figure 2: Conceptual framework

RESEARCH METHODOLOGY

Research design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). This research employed a descriptive research design. This method was appropriate for the study since the study involved collecting data regarding values, behaviour, experiences and attitudes of the population under study as well as answering questions on their status, it's a survey of people who have had practical experience with the problem to be studied.

Population and Sampling Procedure

Population of the Study

According to Kothari (2004), a statistical population is the complete set of all items in the researcher's field of inquiry. The target population is defined as all individuals, objects or things that the researcher can reasonably generalize his or her findings to (Mugenda, 2008).The target population comprised the twenty one hotels in NakuruTown, Kenya. The study considered only the permanent employees as they provided informative details regarding their work. There were 977 employees permanently employed in these hotels as shown in Appendix I.

Sample and sampling procedure

The sample size will consist of employees permanently employed in the two, three and four star-rated hotels. In order to pick the hotels for the study, stratified proportionate sampling procedure has been used. There are 13 two star hotels, 6 three star hotels and 2 four star hotels in NakuruTown. According to Gay (1976), a sample of between ten to thirty percent of the total population is adequate in large population while twenty percent above of the total population is commendable in small population. 30 % of the hotels in each group will be used. As such, 1 hotel was picked from the four star category; 2 from the three star and 4 hotels selected from the 2 star category. A total of nine hotels were picked. This represented a 30% of the total number of the hotels in each category namely 2 star, 3 star and 4 star hotels. Each hotel from the nine was picked at random using the balloting method. In these hotels, the total number of employees is 363. From this total population, the Slovin's formula was used to determine the sample size. A sample of 190 employeeswas needed to accurately represent the population in question.

The formula used is:

n = N

1+N (e) 2
Where: n = sample size
N = population size
E = margin of error * desired
Hence:
n= 363/1+ (0.05)2
n=363/1.9075=190
n=190
Table 3.1 shows the various representations from each hotel.

Table 3.1 Sample of Hotels

Name of hotel	**Classification**	**Number of employees**	**sample**
Capital hill	2 star	28	15
Waterbuck	2 star	64	33
Kunste	2 star	33	17
Jumuia	2 star	51	27
Chester	3 star	40	21
Bontana	3 star	63	33
Merica	4 star	84	44
Total		363	190

The proportionate sampling technique will be used to select one hundred and ninety participants who will serve as respondents chosen from the employees of each category across the hotels that constitute the sample.

Data Collection

This study adopted the use of both structured and unstructured questionnaires to gather in-depth information from the respondents. The justification of using the questionnaire was to allow the respondents adequate time to think about their responses, being focused and guided by the questions. The questionnaire was therefore developed from the literature review and organized on the basis of background information of the respondents and the research objectives. This ensured relevance of the research problem. The questions had been tailored to determine the use of social media network sites in 2 stars, 3 star and 4 star rated hotels in NakuruTown.

Reliability and Validity of the Instruments

In consultation with the supervisors, the researcher developed a questionnaire based on the research objectives. A pre- test was conducted before the main research work commence. The pre-test was conducted on 10 respondents who were not part of the final sample. This allowed any modification in the questionnaire before the samewere distributed to the respondents. It also ensured the reliability and the validity of the instrument. In this study, for instance, the researcher hoped to find out the effects of the use of social media network sites in the hotel industry in NakuruTown.

Data collection procedure

Data for this study was collected using a questionnaire. Prior to visiting the hotels under investigation, the researcher planned for the most appropriate timings of the respondents in order to fill the questionnaire. This ensured that, their work schedules were not affected. After administering the questionnaire, the respondentswere given at least two days to respond. The researcher then visited the hotels under the study on several occasions for a follow-up on the research questionnaires and collecting them.

Data Analysis

For data to be properly interpreted and understood it must be processed or analyzed. Data analysis is the process that begins after data collection and goes all the way up to the point of interpreting the results. The data received was in both qualitative and quantitative forms since this research employed triangulation (use of both qualitative and quantitative methods). Questionnaires were coded and fed into the statistical package of social sciences (SPSS) for analysis. The data was later presented in tables, figures and charts form.

Results

Response Rate

The target sample size of the study was 190 respondents. The researcher was able to collect back 152 questionnaires out of the 190 questionnaires issued. This represented a 80% response rate. There were several reasons for the unreturned questionnaires including staff that had proceeded for leave, staff not at their work places at the time of questionnaire collections, respondents who had misplaced the questionnaire and respondents who were not willing to participate in the study. The collected questionnaires were further analyzed to remove inconsistencies in the responses and eliminate partially filled questionnaires. Out of the 152 questionnaires that were collected, a further 34 questionnaires were eliminated due to various reasons; 22 questionnaires due to inconsistent responses and 12 questionnaires due to incomplete questionnaires. One hundred and eighteen questionnaires were thus analyzed representing a 62.1% of the sample size. The analyzed questionnaires are deemed representative of the population under study.

Respondents' Characteristics

The demographic characteristics of the respondents included the respondent's age group, level of education, job role, and length of service in the hotel industry. The background information will also capture the level of social media usage among the respondents' hotel and the different social platforms used by the different hotels.

Respondent's Age Group

The respondent's age group was measured in five categories that are 18-25 years, 26-30 years, 31-35 years, 36-40 years and 41-45 years age groups. The age group is critical in the determination of the usage of the social media as a younger age group are likely to be more digital savvy and hence influence the usage of the social media in their workplace. The results indicate that a majority of the workers 61% of the respondents were in the 26-30 years age group.

Table 9 Respondents' distribution by age

Age Group	**Frequency**	**Per cent (%)**
18-25 Years	20	16.9
26-30 Years	72	61.0
31-35 Years	13	11.0
36-40 Years	7	5.9
41-45 Years	6	5.1
Total	**118**	**100.0**

Respondent's Level of Education

The level of education is a major determinant on the aptitude to use the social media especially when considered in conjunction with the age factor. Respondents with post-secondary education level would be relatively exposed to social media working and hence easily adapt to its usage in work environment. The respondent's level of education was categorized into four categories that is KCPE level, `KCSE level, Diploma Level, Graduate Level, and post graduate level. A majority of the respondents at 45.8% had a degree level of education, 28.8% diploma level education and 20.3% KCSE level education and only 5.1% had postgraduate level of education.

Table 10 Education Distribution of Respondents

Education Level	Frequency	Percentage (%)
KCSE Level	24	20.3
Diploma Level	34	28.8
Graduate	54	45.8
Post Graduate	6	5.1
Total	**118**	**100.0**

Respondent's Job Role

The job role is a critical role in the respondent's usage of the social media. Job roles that are skewed towards information technology, customer service, complaint handling, customer onboarding, marketing and public relations are more likely to be involved in the social media as part of their job functionalities compared to other job roles. There were 12 categories in relation to job roles that are Front Office and Operations, Food and Beverage, Finance and Administration, Human Resource and Food Production. Others are management, health and safety, housekeeping and laundry, maintenance and repair, security, procurement and information technology.

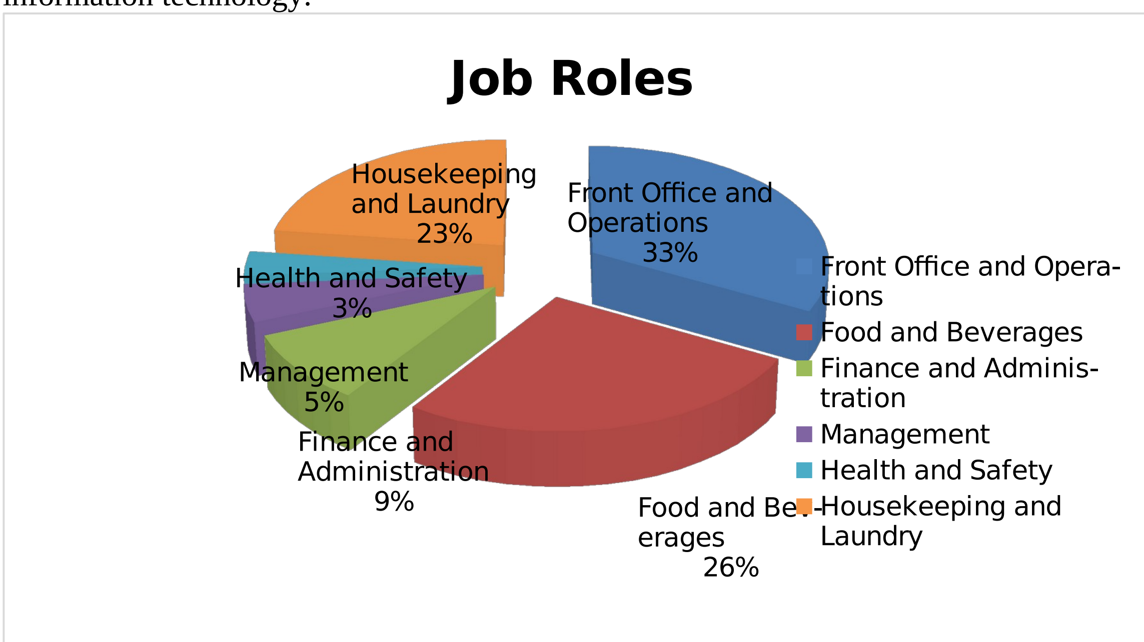

Figure 4.1 Respondent's Job Role

Respondent's Length of Service in Hotel Industry

The length of time worked in the hotel industry was divided into four categories that is 0-5 years, 6-10 years, 11-15 years and over 15 years. 72.9% of the respondents indicated that they had worked in the hotel industry for less than five years while 16.1% indicated that they had worked 6-10 years. Only a small fraction of the employees who had worked for 11-15 years and none of the employees indicated that they had worked for over 15 years.

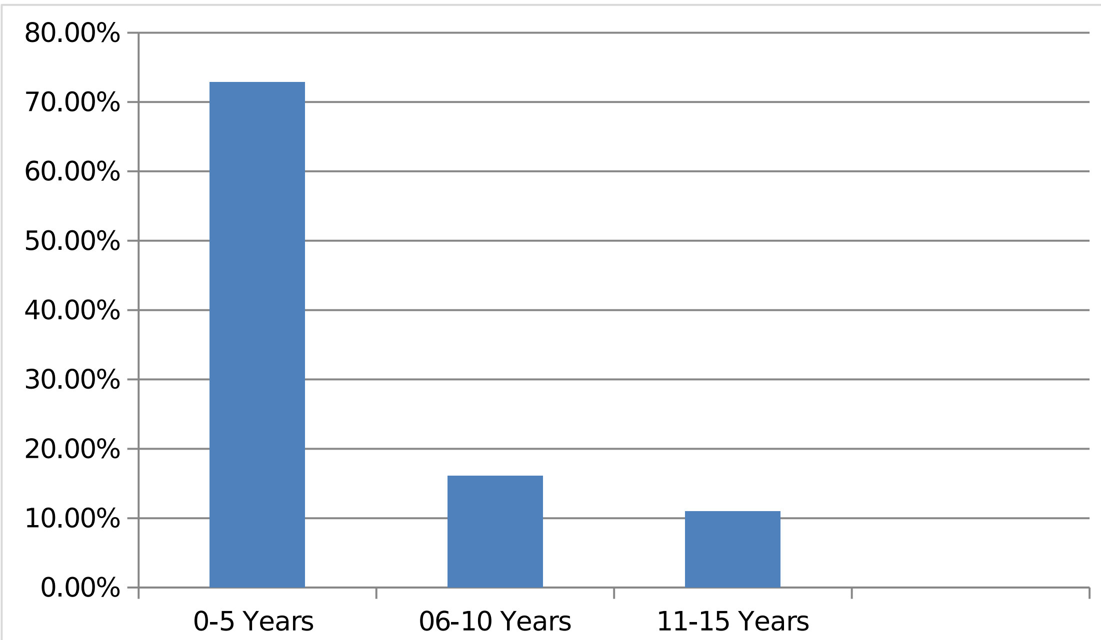

Figure 4.2 Respondent's Length of Service in Hotel Industry

Usage of Social Media in Hotel Industry

The usage of social media is important for any business due to the number of target market as well as existing customer using the social media platforms. In this context, the study revealed that a high frequency of 94.1% of the respondents used social media. The high percentage can also be explained by the fact that the social media has come of age where a large percentage of the population is well versed with the usage of social media in their private lives. The high number of cheap smart phones with internet connection capabilities is also contributing to the familiarization with internet usage in general and to some extent the social media. It is thus easy for social media users in social lives to use the same for their professional needs.

Table 11 Social Media Usage in hotel industry

Does the hotel use any social media?	**Frequency**	**Percentage (%)**
Yes	111	94.1
No	7	5.9
Total	**118**	**100.0**

An analysis between age and the usage of the social media indicated that age factored in strongly in the usage of social media. All the respondents below 30 years of age utilized social media platforms while the higher age groups such as 31-35 years, 36-40 years, and 41-45 years has some respondents who didn't utilize social media platforms. The respondents constituted 7.69%, 28.57% and 67% of the 31-35 years, 36-40 years, and 41-45 years age groups. Therefore, a huge percentage of the older age groups is not utilizing social media platforms. This can partially be attributed to lack of interaction and exposure on the usage of the social media platform as the some of the platforms have only exploded in usage in the recent past.

Table 12The influence of age on social media usage

The influence of age on social media usage		**Does the hotel use any social media?**		**Total**
		Yes	**No**	
What is your age group?	18-25 Years	20	0	**20**
	26-30 Years	72	0	**72**
	31-35 Years	12	1	**13**
	36-40 Years	5	2	**7**
	41-45 Years	2	4	**6**
Total		**111**	**7**	**118**

Prevalence of Social Media Platforms in the Hotel

Different social media platforms have different target groups, different dynamics in terms of usage and different ease of use among different social demographic factors. For example, the face book is relatively easy to use and is versatile to accommodate text (long and short) and images. Face book is also relatively well known among different age groups and hence its popularity. This is reflected in the prevalence for the usage of the social media platforms where up to 66.9% of the respondents indicated that they used the social media. This compares with 38.1%, 16.1%, 5.1%, 44.9%, 26.3%, 31.4%, 9.3% and 11% who used twitter, instalgram, my site, Google Plus, you tube, Skype, my space and LinkedIn respectively. Google Plus was the second most popular social media-networking platform used by the respondents. This can be attributed to the relative familiarity on the usage of the Google plus due to familiarity with the use of the sister product that is Gmail. Twitter is also relatively popular due to its uptake among the youth for micro blogging purposes. There is low usage of social media platforms that have low popularity among the general population or are more inclined towards niche target market.

Table 13 Prevalence of the Social Media Platforms in the hotel industry

Does your hotel use the following social media platforms?		**Frequency**	**Percentage (%)**
Facebook	Yes	79	66.9
	No	39	33.1
	Total	**118**	**100.0**
Twitter	Yes	45	38.1
	No	73	61.9
	Total	**118**	**100.0**
Instalgram	Yes	19	16.1
	No	99	83.9
	Total	**118**	**100.0**
My Site	Yes	6	5.1
	No	112	94.9
	Total	**118**	**100.0**
Google Plus	Yes	53	44.9
	No	65	55.1
	Total	**118**	**100.0**
You Tube	Yes	31	26.3
	No	87	73.7
	Total	**118**	**100.0**
Skype	Yes	37	31.4
	No	81	68.6
	Total	**118**	**100.0**
MySpace	Yes	11	9.3
	No	107	90.7
	Total	**118**	**100.0**
LinkedIn	Yes	13	11.0
	No	105	89.0
	Total	**118**	**100.0**

The Use of Social Networking Media as a Marketing Tool

The social networking media platforms can be used for the marketing purposes through provision of a platform to connect with customers in cyberspace. There is also an element of the ability to reach a wide target market at a relatively low cost compared to traditional marketing tool. A high percentage of the respondents utilized the social media for marketing purposes that is 82.2%.

Table 14 Use of Social Media for Marketing Purposes

Does Your hotel use Social Media for Marketing Purposes	**Frequency**	**Percentage (%)**
Yes	97	82.2
No	21	17.8
Total	**118**	**100.0**

The Usage of the Specific Social Media Platforms for Marketing Purposes

One of the major usages of the social media in organizations in service industry such as hotels is marketing purposes. However, different social media platforms are utilized to different levels by the hotels. The usage of the particular social media platform is influenced by its usage among general population in social lives and the extent to which the platform is customized for marketing aspects. For example, the face book offers a wide variety of combination of text and images that is ideal for marketing purposes. The hotels can be able to highlight their products, ambience of their facilities, different amenities available in their hotels. In addition to these, customers and prospective customers can make comments, and ask for clarifications.

To measure the usage of the different social platforms for marketing purposes, the respondents were asked the extent in which the specific social media platform was utilized. The face book and twitter had the highest usage for marketing purposes that is also reflective of their general popularity in day-to-day lives. Up to 28% of the respondents indicated that the face book and Google plus were frequently used for marketing purposes. This was followed closely by 22% of the respondents who indicated that they utilized twitter for marketing purposes. Some of the social media platforms such as my site, my space and LinkedIn did not have any of the respondents indicating that they frequently used the social media for marketing purposes.

Table 15 The Usage of Different Social Media Platforms for Marketing Purposes

To what extent are the following Social Media Platforms used for marketing		**Frequency**	**Percentage (%)**
Facebook	Frequently Used	33	28.0
	Rarely Used	25	21.2
	Not Used at all	42	35.6
	Don't Know	18	15.3
	Total	**118**	**100.0**
Twitter	Frequently Used	26	22.0
	Rarely Used	15	12.7
	Not Used at all	55	46.6
	Don't Know	22	18.6
	Total	**118**	**100.0**
Instalgram	Frequently Used	3	2.5
	Rarely Used	10	8.5
	Not Used at all	68	57.6
	Don't Know	37	31.4
	Total	**118**	**100.0**
My Site			
Google plus	Frequently Used	34	28.8
	Rarely Used	9	7.6
	Not Used at all	36	30.5
	Don't Know	39	33.1
	Total	**118**	**100.0**
YouTube	Frequently Used	13	11.0
	Rarely Used	13	11.0
	Not Used at all	45	38.1
	Don't Know	47	39.8
	Total	**118**	**100.0**

Table 16 The Usage of Different Social Media Platforms for Marketing Purposes

To what extent are the following Social Media Platforms used for marketing		**Frequency**	**Percentage (%)**
Skype	Frequently Used	10	8.5
	Rarely Used	11	9.3
	Not Used at all	44	37.3
	Don't Know	53	44.9
	Total	**118**	**100.0**
MySpace	Rarely Used	13	11.0
	Not Used at all	58	49.2
	Don't Know	47	39.8
	Total	**118**	**100.0**
LinkedIn	Rarely Used	7	5.9
	Not Used at all	48	40.7
	Don't Know	63	53.4
	Total	**118**	**100.0**

Social Media Networking Forms used in the hotel industry

Different social media networking forms such as podcasts, blogs, micro blogs, face book posts, twitter feeds, you tube videos and skype. These different forms have their ease of usage, the potential audience reach and the kind of information they can conduct which influences their usage. The podcasts are ideal for the hotel management, founders, and key staff such as chefs to do videos while providing background commentary. This is a critical form of marketing in the context of the potential customer of existing customer getting a view of the hotel or hotel services from an authoritative figure in the hotel ideally who is well known in the public arena. In this context, 13.6% and 22.0% of the respondents indicated that they "frequently used "and "rarely used" the podcasts respectively in marketing. Therefore, a cumulative figure of 35.6% used podcasts for marketing purposes. Twitter feeds were well used for marketing purposes with up to 21.2% of the respondents indicating that they frequently used it. Other social media platforms used frequently included face book posts (18.6%), and you tube videos (8.5%). Blogs, micro blogs, and skype were lowly used mainly due to the fact that they would require a higher creativity input to bring up the marketing aspects of a hotel.

Table 17 The use of different social media networking forms for marketing purposes

Which of the following social media networking forms is used in your hotel for marketing purposes?		Frequency	Percentage (%)
Podcasts	Frequently Used	16	13.6
	Rarely Used	26	22.0
	Not Used at all	55	46.6
	Don't Know	21	17.8
	Total	**118**	**100.0**
Blogs	Rarely Used	8	6.8
	Not Used at all	95	80.5
	Don't Know	15	12.7
	Total	**118**	**100.0**
Micro Blogs	Frequently Used	3	2.5
	Rarely Used	13	11.0
	Not Used at all	68	57.6
	Don't Know	34	28.8
	Total	**118**	**100.0**
Face book posts	Frequently Used	22	18.6
	Rarely Used	13	11.0
	Not Used at all	55	46.6
	Don't Know	28	23.7
	Total	**118**	**100.0**
Twitter feeds	Frequently Used	25	21.2
	Rarely Used	8	6.8
	Not Used at all	45	38.1
	Don't Know	40	33.9
	Total	**118**	**100.0**
You Tube Videos	Frequently Used	10	8.5
	Rarely Used	8	6.8
	Not Used at all	55	46.6
	Don't Know	45	38.1
	Total	**118**	**100.0**
Skype	Frequently Used	4	3.4
	Rarely Used	15	12.7
	Not Used at all	60	50.8
	Don't Know	39	33.1
	Total	**118**	**100.0**

The Objectives of Social Media Marketing

Engagement in social media for the marketing purposes has certain objectives in which the hotels aim to achieve within the marketing sub themes. These sub themes include introduction of new products/services, networking with potential customers, publicising products and elaboration on product features. Networking with potential customers was the major reason on why the hotels engaged in social media marketing as indicated by 83.9% of the respondents. Social media platforms by nature provide an avenue of diverse and large groups of people networking in the cyber space at their own convenience. The ability to engage each other in a virtual world is key where there is need for clarification on services offered and where there is need for validation on the product features by older users of the product or service. In this context, 77.1% of the respondents indicated that they used the social media platforms for the elaboration of the product features. This is closely linked to the use of the social media for publicising of existing products (61%) and introduction of new products/services (43.2%).

Table 18 Objectives of Social Media Marketing

What are the objectives of social media marketing?		**Frequency**	**Percentage (%)**
Networking with potential customers	Yes	99	83.9
	No	19	16.1
	Total	**118**	**100.0**
Introduction of new products/services	Yes	51	43.2
	No	67	56.8
	Total	**118**	**100.0**
Elaboration on product features	Yes	91	77.1
	No	27	22.9
	Total	**118**	**100.0**
Publicising products	Yes	72	61.0
	No	46	39.0
	Total	**118**	**100.0**

The Use of Social Networking Media as a Brand Awareness Tool

There is high usage of the social media platforms for the purposes of brand awareness as indicated by 66.1% of the respondents.

Table 19 Use of social media for brand awareness

		Frequency	**Percentage (%)**
Does your hotel use social networking sites for branding purposes?	Yes	78	66.1
	No	40	33.9
	Total	**118**	**100.0**

The Usage of Different Social Media Platforms for Branding Purposes

Branding involves making the hotel know for certain aspects such as standards, quality service, and excellent customer experience amongst others with a view of standing out from the crowd.

This may be through creating memorable experiences, unique experiences and evoking of positive emotional connection with uses. In this context, the hotel may use photography, songs, audios, and text to create positive mental imagery of their institution, service and staff. Among the social media platforms highly used for this aspect include face book (44.1%) and twitter (22.9%). However, there is low usage of the social media platforms for branding purposes through instagram (3.4%), my site (4.2%), Google plus (6.8%), and my space (3.4%).

Table 20 Social Media platforms used for branding

To what extent are the following social media platform used for branding?		**Frequency**	**Percentage (%)**
Facebook	Frequently Used	52	44.1
	Rarely Used	6	5.1
	Not Used at all	45	38.1
	Don’t Know	15	12.7
	Total	**118**	**100.0**
Twitter	Frequently Used	27	22.9
	Rarely Used	14	11.9
	Not Used at all	50	42.4
	Don’t Know	27	22.9
	Total	**118**	**100.0**

Table 21 Social Media platforms used for branding (Continuation)

YouTube	Frequently Used	9	7.6
	Rarely Used	13	11.0
	Not Used at all	72	61.0
	Don't Know	24	20.3
	Total	**118**	**100.0**
LinkedIn	Rarely Used	7	5.9
	Not Used at all	79	66.9
	Don't Know	32	27.1
	Total	**118**	**100.0**
Skype	Frequently Used	12	10.2
	Rarely Used	19	16.1
	Not Used at all	61	51.7
	Don't Know	26	22.0
	Total	**118**	**100.0**
MySpace	Frequently Used	4	3.4
	Rarely Used	6	5.1
	Not Used at all	56	47.5
	Don't Know	52	44.1
	Total	**118**	**100.0**
My site	Rarely Used	5	4.2
	Not Used at all	86	72.9
	Don't Know	27	22.9
	Total	**118**	**100.0**
Google Plus	Frequently Used	8	6.8
	Rarely Used	18	15.3
	Not Used at all	65	55.1
	Don't Know	27	22.9
	Total	**118**	**100.0**
Instalgram	Frequently Used	4	3.4
	Rarely Used	12	10.2
	Not Used at all	80	67.8
	Don't Know	22	18.6
	Total	**118**	**100.0**

The forms in which the Social Media Platforms are used for branding

There are several ways in which the social media platforms are used for branding including discussion of the hotel culture, discussion of the hotel heritage, discussion of the product features, face book posts, twitter feeds and you tube videos. These forms have different ways in enhancement of the brand image and suited to particular social media platforms. Discussion of the product features was the most commonly used means of creating brand awareness according to 66.9% of the respondent. The other used aspects for brand awareness include hotel heritage (43.2%), face book posts (46.6%), you tube videos (38.1%) and twitter feeds (25.4%).

Table 22 Aspects used to create brand awareness

Does your hotel engage in discussing the following aspects to create brand awareness?		**Frequency**	**Percentage (%)**
Hotel Culture	Yes	23	19.5
	No	95	80.5
	Total	**118**	**100.0**
Hotel Heritage	Yes	51	43.2
	No	67	56.8
	Total	**118**	**100.0**
Product Features	Yes	79	66.9
	No	39	33.1
	Total	**118**	**100.0**
Facebook Posts	Yes	55	46.6
	No	63	53.4
	Total	**118**	**100.0**
Tweeter Feeds	Yes	30	25.4
	No	88	74.6
	Total	**118**	**100.0**
You Tube Videos	Yes	45	38.1
	No	73	61.9
	Total	**118**	**100.0**

The Brand Awareness Measurement Metrics

To determine on the effectiveness of the specific social media platforms in relations to creating brand awareness there is need for measurement metrics. These measurement metrics includes number of followers, mentions per period (times the brand is talked online for a given period), and inbound links that is the number of sites linking to the hotel site. The other metrics are the share of voice (number of times mentioned in comparison to the competition) and share of conversation that is number of times mentioned in conversations relevant to the industry. There is well usage of each of the metrics as evidenced by the responses that ranged from a low of 39.0% to 61.9%. The metrics used in order of popularity include share of voice (61.9%), share of conversation (55.9%), number of followers (55.1%), mentions per time (49.2%), and inbound links (39.0%).

Table 23The extent use of brand awareness metric measures

To what extent does your hotel use the following brand awareness metric Measures		Frequency	Percentage (%)
Number of followers	Frequently Used	65	55.1
	Rarely Used	21	17.8
	Not Used at all	12	10.2
	Don't Know	20	16.9
	Total	**118**	**100.0**
The mentions per time period (times brand talked online for a given period)	Frequently Used	58	49.2
	Rarely Used	47	39.8
	Not Used at all	7	5.9
	Don't Know	6	5.1
	Total	**118**	**100.0**
Inbound Links (Number of Sites Linking to the Hotel Site)	Frequently Used	46	39.0
	Rarely Used	46	39.0
	Not Used at all	20	16.9
	Don't Know	6	5.1
	Total	**118**	**100.0**
Share of Voice (Number of Times mentioned in comparison to competition)	Frequently Used	73	61.9
	Rarely Used	27	22.9
	Not Used at all	6	5.1
	Don't Know	12	10.2
	Total	**118**	**100.0**
Share of Conversation i.e. number of times mentioned in conversations relevant to the hotel industry	Frequently Used	66	55.9
	Rarely Used	34	28.8
	Not Used at all	12	10.2
	Don't Know	6	5.1
	Total	**118**	**100.0**

The Use of Social Networking Media as an Information/Education Tool

There are various types of information that can be cascaded through the social media such as hotel location, hotel menu, amenities near the hotel, and hotel facilities information. The technical expertise of key staff and the hotel vision and mission are also discussed. All the respondents indicated that they discussed the hotel location. The other aspects cascaded through online measures included the hotel menu (66.1%), amenities approximately the hotel (72.9%), hotel facilities (82.2%), and technical expertise of key staff (50.0%).

Table 24 Information Cascaded through social media

Which information is cascaded through social media		Frequency	Percentage (%)
Hotel Location	Yes	118	100.0

Which information is cascaded through social media		**Frequency**	**Percentage (%)**
Hotel Menu	Yes	78	66.1
	No	40	33.9
	Total	**118**	**100.0**
Amenities in the vicinity of the hotel	Yes	86	72.9
	No	32	27.1
	Total	**118**	**100.0**
Hotel facilities information	Yes	97	82.2
	No	21	17.8
	Total	**118**	**100.0**
Technical Expertise of Key Staff	Yes	59	50.0
	No	59	50.0
	Total	**118**	**100.0**
Hotel Vision and Mission	Yes	85	72.0
	No	33	28.0
	Total	**118**	**100.0**

The Use of Social Networking Media for Sales Purposes

The usage of social media networking platforms for the purposes of sales is relatively limited at 39.8%. The low usage of social media for sales can be attributed to the fact that sales process needs a one on one persuasion in order for the potential customers to commit themselves.

Table 25The Use of Social Networking Media for Sales Purposes

Does your hotel use social media for the purposes of sales?		**Frequency**	**Percentage (%)**
	Yes	47	39.8
	No	71	60.2
	Total	**118**	**100.0**

Prevalence of Social Media Platforms usage for Sales

The key attribute for the social media platform to be ideal for the usage of sales is the ability to have a one- on-one conversation as opposed to one-to-many conversation. This is because there is need for the personal touch for the potential customer to be convinced on the need buy the product. This convincing can only take place in a one-on-one conversation. In this context, social media platforms that had provision for one-on-one conversations such as face book through inbox and Google plus had high usage for sales purposes. In this context, face book had 35.6% popular usage for sales services while Google plus had 19.5% usage for sales oriented services.

Table 26 Platforms used for sales purposes

To what extent are the following platforms used for sales purposes		Frequency	Percentage (%)
Facebook	Frequently Used	42	35.6
	Rarely Used	16	13.6
	Not Used at all	54	45.8
	Don't Know	6	5.1
	Total	**118**	**100.0**
Twitter	Frequently Used	10	8.5
	Rarely Used	6	5.1
	Not Used at all	69	58.5
	Don't Know	33	28.0
	Total	**118**	**100.0**
You Tube	Frequently Used	15	12.7
	Rarely Used	4	3.4
	Not Used at all	65	55.1
	Don't Know	34	28.8
	Total	**118**	**100.0**
Skype	Frequently Used	11	9.3
	Rarely Used	11	9.3
	Not Used at all	86	72.9
	Don't Know	10	8.5
	Total	**118**	**100.0**
MySpace	Frequently Used	4	3.4
	Not Used at all	75	63.6
	Don't Know	39	33.1
	Total	**118**	**100.0**

Table 27 Platforms used for sales purposes (Continuation)

To what extent are the following platforms used for sales purposes		**Frequency**	**Percentage (%)**
Instalgram	Frequently Used	6	5.1
	Rarely Used	4	3.4
	Not Used at all	79	66.9
	Don’t Know	29	24.6
	Total	**118**	**100.0**
Skype	Frequently Used	1	.8
	Rarely Used	5	4.2
	Not Used at all	77	65.3
	Don’t Know	35	29.7
	Total	**118**	**100.0**
Google Plus	Frequently Used	23	19.5
	Rarely Used	8	6.8
	Not Used at all	75	63.6
	Don’t Know	12	10.2
	Total	**118**	**100.0**

Efficiency of Different Social Media Platforms for Sales Purposes

The sales related work is comprised of different components` including sales prospecting, closing of sales, clarification of the service/product features, referrals and networking and market intelligence gathering. The social media were ideal for the sales prospecting (71.2%), market intelligence gathering (66.9%) and, referrals and networking (62.7%).

Table 28The efficiency of social media platforms

How do you rank the efficiency ofsocial media platforms in the following aspects		**Frequency**	**Percentage (%)**
Sales Prospecting	Very Effective	33	28.0
	Effective	51	43.2
	Ineffective	13	11.0
	Don't Know	21	17.8
	Total	**118**	**100.0**
Closing Sales	Effective	26	22.0
	Ineffective	92	78.0
	Total	**118**	**100.0**
Clarification of Service/Product Features	Very Effective	59	50.0
	Effective	52	44.1
	Ineffective	7	5.9
	Total	**118**	**100.0**
Referrals and Networking	Very Effective	74	62.7
	Effective	44	37.3
	Total	**118**	**100.0**
Market Intelligence Gathering	Very Effective	79	66.9
	Effective	39	33.1
	Total	**118**	**100.0**

The Use of Social Networking Media for Customer Service

The social media platform is also used for customer service aspects especially complaints resolution. A majority of the firms have embraced social media as a means of complaints management in order to counter the effects of customer's complaints getting into a wider group. In this context, up to38.1% of the respondents indicated that they utilized the social media for the customer service purposes.

Table 29 The usage of social media for customer service purposes

Does your hotel use social media for the purposes of customer service?	**Frequency**	**Percentage (%)**
Yes	45	38.1
No	73	61.9
Total	118	100.0

The social media platforms are used for different aspects in relations to the customer service purposes e.g. complaints capturing, complaints resolution, compliments capturing, sharing of best practices and customer experience. A majority of the respondents (44.9%) indicated that they utilized the social media for complaints capturing. This is in tandem with the recent usage of the social media such as twitter to launch complaints and the notion that these complaints are attended to much faster than those handed through the traditional means.

Table 30 Efficiency of different Social Media networking platforms

How do you rank social media networking efficiency in the following aspects		Frequency	Percentage (%)
Complaints Capturing	Very Effective	53	44.9
	Effective	25	21.2
	Ineffective	27	22.9
	Don't Know	13	11.0
	Total	**118**	**100.0**
Complaints Resolution	Very Effective	52	44.1
	Effective	45	38.1
	Ineffective	14	11.9
	Don't Know	7	5.9
	Total	**118**	**100.0**
Compliments Capturing	Very Effective	45	38.1
	Effective	46	39.0
	Ineffective	20	16.9
	Don't Know	7	5.9
	Total	**118**	**100.0**
Sharing of Best Practices on Services/Products on Service	Very Effective	53	44.9
	Effective	25	21.2
	Ineffective	27	22.9
	Don't Know	13	11.0
	Total	**118**	**100.0**
Customer Experience /Initiatives	Very Effective	52	44.1
	Effective	45	38.1
	Ineffective	14	11.9
	Don't Know	7	5.9
	Total	**118**	**100.0**
Customer On boarding	Very Effective	45	38.1
	Effective	46	39.0
	Ineffective	20	16.9
	Don't Know	7	5.9
	Total	**118**	**100.0**

Conclusion

There is generally high usage of the social media at personal level for the respondent that has not translated fully into the professional context. The face book and twitter social media are the highest used social media platforms, which closely mirrors the day to day social usage of the platforms. There is evidence of the basic usage of the social media platforms in diverse basic ways but lack of digital strategy as would have been noticed by more pronounced usage of particular platforms for given aspects.

Recommendations

The following are the recommendations as a result of the study

i. There is overreliance on the face book, twitter and Google plus while the hotels should enhance the usage of diverse social media platforms in order to capture niche markets.
ii. There is need to have clear strategies on the specific usage of particular social media platforms in order to maximize the gains that can be derived from them.

Suggestions for further research

Future scholars on the subject matter can explore the impact among guests in terms of sales, branding, information awareness as a result of social media usage by the hotels.

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World Black Tea price volatility, Market Linkages among global tea auction markets

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Abstract
The primary determinant of the growth of the global tea economy is demand for the commodity. Tea auction markets refer to market leaders to discover prices and market behaviour. The purpose of the study was to evaluate the degree of integration between the world markets price measured by FAO composite price index and black tea auction markets around the world. The study captures tea price dynamics and evolution of tea prices at the major tea auction markets around the world. The study utilizes monthly tea auction data from 2003 to 2009 to investigate tea price dynamics in order to capture price evolution and volatility .The study found that multivariate cointegration test suggests one common stochastic trend driving all the tea prices, indicating volatility in the prices. Granger causality interestingly shows that most of the tea auction prices have a significant trend and cyclical components. Volatility seems to spill across all tea markets with markets experiencing common shocks, rather than being isolated from each other. The findings of the study indicate that tea agribusiness firms refer to Sri -Lanka prices to make decisions on markets behaviour and are likely to incorporate world price information into planting decisions which will create significant challenges whose implications will lead to oversupply if world consumption of tea does not improve in tandem with increased production. The study uses the current novel methods of testing price cointegration on commodity markets

Keywords: tea price volatility, tea auction markets, Granger causality, Cointegration,

Introduction

Governments in tea exporting countries acknowledge the significance of the tea industry. The sector is a source of export earnings, job creation, infrastructural development and income generation in tea producing countries. Tea processing factories located in rural areas contribute to control of migration to urban areas. A high price of tea creates opportunities for better well-being of millions of farmers and tea agribusiness companies worldwide. Meanwhile according to United Nations food and agricultural Association (FAO, 2010, Tanui., et al.), the increase in export earnings in 2009 at the global level, positively affected rural incomes in all tea producing countries(Tanui., et al. 2012). In 2008, the world experienced a dramatic surge and volatility in the tea prices in the main markets(FAO,2010), the increase was the highest in nearly 30 years. The tea prices later plummeted to the lowest during the world economic crisis in 2008(FAO, 2010; Minot, 2011). It was the period when the tea industry entered a “meltdown” after the auction prices dropped by nearly 60% from the previous prices in September in the same year (Tanui et al., 2012). Recently international tea prices, as measured by the FAO Tea Composite price, increased consistently until 2012.The main determinant of the growth of the global tea economy is demand for the commodity(FAO,2015).

Global tea prices have recently become an increasingly important topic, according to United Nations food and agricultural Association (FAO, 2010), after long periods of sustained growth, tea production declined, by 0.64 percent, between 2007 and 2009 (FAO, 2010). Consequently, the FAO composite price jumped from 154 US cents/kg in 2003 to 238 US cents in 2008 and peaked at 318 cents/kg in September 2009, the highest price since the FAO Tea Composite price creation in 1989. In fact, after many years of declining in real terms, the price of tea more than doubled between 2003 and 2010. In 2013 the average price fell by 2.5 percent to 279 US cents/kg and further dropped by 5.3 percent in 2014 to 265US Cents/ kg (FAO, 2015). The FAO Tea Composite Price, which is an indicative price for black tea, increased significantly from 2006 to 2012 (FAO,2015), since then FAO report that it has declined to US cents 265 / kg averaged in 2014, which is still considerably higher than prices averaged in the previous two decades.High tea prices are partially disguised risks in volatility in recent years; driven by soaring demand from the emerging economies of China and India(Tanui., et al., 2012). It would take little to tip prices to rollercoaster back down again. In fact, warnings of danger surfaced towards the end of 2008 when tea prices dropped in all the auction markets in the world forcing massive withdrawals of tea and boycotts by buyers. Previous attempts to control supplies of tea through trade and policy interventions at the global level over the years had proved ineffective (FAO, 2005). Planting of tea takes about four years for tea bushes to achieve commercial harvest, this makes it expensive to maintain during the unproductive periods. Apart from increases in China and India, consumption has remained virtually unchanged in other major tea consuming countries.

Literature review

Tea has grown from a medicinal crop in China introduced five thousand years ago to command a multi-billion dollar industry and a critical component of international trade. It is the most famous beverage in the highly populated countries of China and India making tea the second important drink in the world after water (FAO, 2008, Hicks,2009)). Although there are a growing number of countries that produce teas there exist essentially three main types of tea, these are Green, 'Oolong' and Black (Hicks, 2009 Tanui.., et al. 2012). The difference lies in the fermentation process during processing. Green tea is mostly unfermented, Oolong tea is partially fermented, and Black tea is fully fermented(Hicks,2009, Tanui.., et al. 2012). Black tea represents the majority of tea traded internationally and takes about 80% of global tea market (Tanui et al., 2012). Tea is sold primarily in auction markets where prices are quoted in each of these markets at least on a weekly basis. These quotes are prices per kilogram and reflect demand for and supply of various types of tea and different quality characteristics Dharmasena, Senarath and Bessler, David, 2004). Prices may also reflect government interventions. Governments use trade policy instruments such as export taxes, import tariffs, and import quotas in apparent attempts to influence the price and consumption of tea. Such regulations may introduce inefficiencies into the tea market, which in turn may give false signals to producers in future periods. Tea is usually exported after initial processing (drying and bulk packaging) while at retail level tea is sold as a blend from different countries(Tanui.., et al.). The degree to which changes in world tea prices are transmitted to export markets is critical to smallholder farmers, tea estates, agribusiness firms and governments in these countries. Market participants in these countries get anxious when these markets are volatile and unpredictable. Fluctuations in world tea prices happen when price changes in the global market transmit to domestic markets. Highly unstable and unpredictable prices are detrimental to the health of a sector, as volatility inhibits investment and adjustment to market conditions.

It also destabilizes income and savings, thus resulting in reduced capital accumulation and losses in efficiency.

Table 1 Tea production and export in metric tons

	Production in Metric Tons				Exports Metric tons				Type of Tea
Country	2010	2011	2012	2013	2010	2011	2012	2013	
China	1475	1633	1790	1925	303.2	322.6	321.8	329.7	Green
India	971	1120	1129	1200	182.7	205.3	199.1	209.2	Black
Kenya	403.3	383	373	436	362.3	347.3	349.9	415.9	Black
Sri Lanka	331	328	328	343	305.8	303.2	306.1	311	Black
Bangladesh	60.0	59.6	63	66.2	0.9	1.5	0.6	0.5	Black
Indonesia	157	151	151	153	87.1	75.5	70.1	70.5	black
Malawi	52	47	43	47	48.9	44.9	41.8	40.5	black
World	4364	4627	4784	5062	1683	1674	1684	1768.5	

Methods

Data sources

Prices for Malawi and Kenya tea markets are obtained from Limbe and Mombasa tea auction centers respectively. Sri Lankan, Bangladesh, and Indonesian and India prices are the average prices of all Indian auctions (

Methodology

If a global tea markets were to be integrated, the prices charged by major exporters of that tea would be expected to move together over time (Goshray, 2010). From an econometric point of view, this would imply that prices of the tea should be cointegrated. Standard cointegration techniques, used in the literature on spatial integration of agricultural product markets, have been criticized because of the grounds that they ignore the potentially important role played by transactions costs by estimating linear models, which are inconsistent with discontinuous trade (Baulch, 1997). The coefficient of variation (CV) and standard deviation are the most common measure of volatility. On market integration using time series data on prices of tea, we use the following relationship:

$$lnP1_t = \alpha + \beta lnP2_t + \varepsilon_t \qquad (1)$$

Where $P1_t$ and $P2_t$ are the logarithms of prices, ε_t is a white noise error term, α represents an intercept which includes the differences between the prices expressed in levels and β is the price transmission elasticity

. This study employs the Augmented Dickey-Fuller (ADF) test for unit roots (Dickey and Fuller, 1981). ADF test was to test the null hypothesis that p_t is non-stationary by calculating the t – statistic for β=0 in the following relationship.

$$\Delta Pt=\alpha+\beta P_{t-1}+\gamma_t+\ \delta\Delta P_{t-k}+\varepsilon_t \qquad (2)$$

Where $\Delta P_t = P_t - P_{t-1}$: $P_{t-k} - P_{t-k-1}$; $k = 2,3,...,n$; P_t is the price at time t; α, β, γ, and δk are parameters to be estimated, and ε_t is the error term. If the ADF statistic is less than critical values, it shows that p_t is stationary. If non-stationary, the next step is to determine whether Pt is stationary in the first difference {that is, to test $'P_t - 'P_t - 1 \sim I(1)$}. If the ADF test fails for the null hypothesis, for $P_t \sim I(1)$, then the second step of testing for cointegration is undertaken.

$$\Delta P_t=\alpha+\Phi\ D_t+\ \Gamma i\ \ \Delta P_{t-1}+\Pi P_{t-n}+\varepsilon_t, \qquad t=1,2.......T \qquad (3)$$

Where Γi=-I +Π1+...+ Π I, for i = 1... n-1, Π=-I+ Π1+...+ Π n, I a (k x k) identity matrix, ΦD_t is a vector of dummy variables, and α is a vector of intercepts. Therefore, Π contains the possible long-run equilibrium relationship(s) of equation 2. The number of cointegration relationships provided by the rank of the matrix Π (r), and is determined by two asymptotically similar tests: the Trace test and the Maximum eigenvalue test.

The Johansen procedure allows tests on the coefficients α and β, by the use of likelihood ratio (LR) tests (Johansen and Juselius, 1994).

Results

Descriptive statistics

Table 2. Summary of descriptive statistics for tea prices and FAO composite price

	Sri Lanka	Bangladesh	FAO	India	Indonesia	Kenya	Malawi
Mean	221	132	195	149	130.0	184	118
Median	194	118	181	139	124	165	108
Maximum	376	214	318	230	226	299	197
Minimum	143	73.8	144	100	84.9	139	83.0
Std. Dev.	61.2	33.7	44.2	34.7	33.3	41.5	27.5
Skewness	0.72	0.95	1.07	0.59	1.01	1.09	0.90
Kurtosis	2.1	3.0	3.1	2.2	3.5	3.2	2.8
Jarque-Bera	9.10	12.7	16.1	7.4	15.6	16.9	11.5
Probability	0.01	0.001	0.00	0.002	0.00	0.00	0.00
Observations	84	84	84	84	84	84	84

Table 2 provides the summary of descriptive statistics for the prices of the world auction tea markets and FAO composite price. The maximum price during this period was 375 US cents in Sri Lanka for September 2009, followed by FAO composite price at 318 USD for the same period 2009. The largest spread in tea prices is in Sri Lanka with a standard deviation of 61.2, then FAO composite price with 42.99. Both show a high degree of variability in prices and possible volatility while the spread in Malawi, Bangladesh, India and Indonesia spread is lower. It is worth noting that statistical characteristics of the small exporters of tea may suggest that influence on tea prices and price formation is minimal. Positive skewness dominates the results for all tea auction markets, In general, a high positive skewness means episodes of high prices dominate the series. Kurtosis varies from 3.5 to 2.1 for Sri Lanka. A few extreme events explain a possible interpretation of high kurtosis and variability. It could also be a measure of uncertainty.

Table 3. Ranking of Mean, Coefficient of Variation (CV) and Standard deviation (SD)

Country	Mean	Ranking	CV%	Ranking	SD	Ranking
Sri Lanka	221	1	27.7	1	61.2	1
Bangladesh	132	5	25.7	2	33.7	5
FAO	195	2	22.6	5	44.2	2
India	149	4	23.3	3	34.7	4
Indonesia	130	6	25.7	2	33.3	6
Kenya	184	3	22.5	6	41.5	3
Malawi	118	7	23.2	4	27.5	7

In Table 3 we discuss the behavior of each price using the Mean, standard deviation and the Coefficient of variation. Regarding mean, Sri Lanka is leading followed by Kenya, an indication that prices of tea are high and the tea is of good quality in these two main world exporters of tea. All prices except Sri Lanka are below the FAO composite price which is the world reference price for tea. Regarding the standard deviation (SD) and coefficient of variation (CV), Sri Lanka market ranks number. FAO price is number two regarding SD but ranks no five on CV; Similarly, Kenya is number three in SD and number six in CV. Sri Lanka market is leading regarding price volatility. The weakness of using the above summary statistics in the analysis is that they do not incorporate the time series properties of the underlying price series.

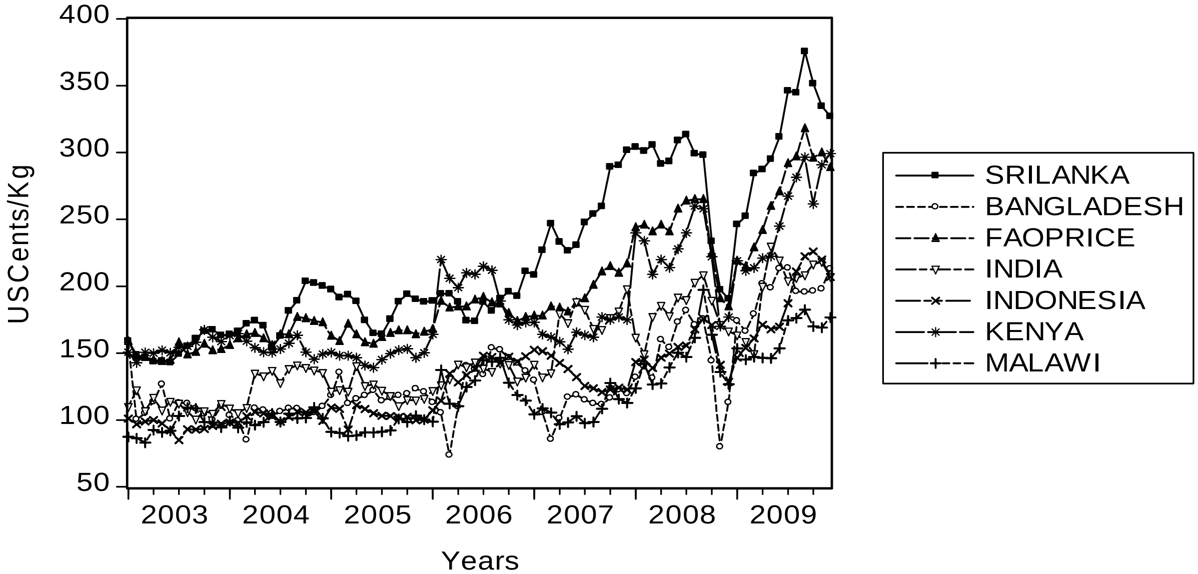

Figure 1. Evolution of Monthly average price for world tea markets for the period 2003 to 2009

During the period under examination, figure 1, tea prices experienced slow growth, for the tea auction export markets from 2003 to 2005 together with some fluctuation up to around 2006.Sri Lanka, FAO, and Kenya are higher than rest of the exporting countries and tend to move together. Prices, Kenya, India, Malawi, Indonesia, and Bangladesh, lie below FAO composite price /world reference prices an indication that prices in the tea auction are below the world reference price. The graph suggests that sale prices for most auction prices in exporting countries under study co-move with the FAO composite reference price. The figure also reveals that prices of tea plummeted towards the end of 2008. Based on FAO composite price fluctuation of tea was maintained through 2003 to 2005 however it picked in 2006 and fell in the first quarter. After that, there was an accelerated growth rate in prices during the 2008 and 2009 period to reach a record 318USdollars in September 2009. The graph shows Bangladesh tea prices wavering from 2006 to 2008. Towards the end of 2008, tea prices dropped drastically; s during the world economic “meltdown.”

Table 4. Pairwise correlation matrix between the prices of tea in world tea auction markets

	Sri Lanka	Bangladesh	FAO	India	Indonesia	Kenya	Malawi
Sri Lanka	1.00	0.73	0.95	0.89	0.83	0.82	0.77
Bangladesh	0.73	1.00	0.82	0.70	0.79	0.80	0.80
FAO	0.95	0.82	1.00	0.89	0.90	0.93	0.88
India	0.89	0.70	0.89	1.00	0.83	0.76	0.76
Indonesia	0.83	0.80	0.9	0.8	1.00	0.89	0.88

			0	3			
Kenya	0.81	0.81	0.9 3	0.7 6	0.89	1.00	0.93
Malawi	0.77	0.80	0.8 8	0.7 6	0.879	0.93	1.00

Correlation coefficients measure the linear relationship between a pair of tea prices. Results of correlation coefficients show that all tea markets are highly related, with FAO, Sri Lanka and Kenya seemingly showing unyielding high correlation. Malawi and Kenya also demonstrate that they are highly correlated.

Univariate Time Series Properties

The study applied standard augmented Dickey–Fuller (ADF) (Dickey and Fuller 1981) to the data in levels and first differences. Summary of the unit root tests shown in Table 5. For each data set, we cannot reject the null of a unit root though dismissed in first differences. All the unit root tests confirm that the price series are non-stationary I (1).

Table 5 Unit root test

Price	Levels	First difference
Sri Lanka	-1.21	-7.13**
Bangladesh	-1.87	-8.39**
FAO	-0.22	-7.59**
India	-1.47	-7.83**
Indonesia	-0.06	-7.20**
Kenya	-0.77	-8.55**
Malawi	-1.50	-8.52**
SriLanka	-1.21	-7.13**

** And * denote rejection of the null hypothesis at the 1% and 5% significance levels. The results of the ADF test, considering the suggested lag lengths in Table 5, show that at the 1% and 5% critical values of -3.49 and -2.88, the null hypothesis of a unit root. We conclude that all seven log Tea price series are non-stationary.

Cointegration test of log world tea prices between 2003 and 2009

Table 6a Results from bivariate Trace and Maximum eigenvalues

	Trace Test		Max eigen	
Price relationships	H=0	H=1	H=0	H=1
Bangladesh-FAO Price	12.4	0.43	11.9	0.43
Bangladesh-India	9.69	0.32	9.35	0.32
Bangladesh-Indonesia	16.7*	0.23	16.5*	0.23
Bangladesh--Kenya	14.4	0.02	14.4	0.02
Bangladesh-Malawi	17.1*	0.05	17.1*	0.05
Bangladesh-Sri Lanka	9.33	1.00	8.32	1.00
FAO-India	18.9*	0.59	18.3*	0.60
FAO-Indonesia	5.89	6.03E-10	5.88	6.03E-10
FAO-Kenya	11.2	3.13	8.09	3.13
FAO-Malawi	9.07	0.88	8.19	0.88
FAO-Sri Lanka	10.1	1.61	8.49	1.60
India-Indonesia	9.17	0.07	9.03	0.07
India-Kenya	9.57	0.12	9.44	0.12
India -Malawi	9.69	0.59	9.10	0.59
India –Sri Lanka	26.5**	0.72	25.8**	0.72
Indonesia -Kenya	8.19	0.26	7.926	0.26
Indonesia -Malawi	9.57	0.05	9.52	0.05
Indonesia-Sri Lanka	6.30	0.05	6.26	0.05
Kenya -Malawi	17.5*	0.02	17.4*	0.02
Kenya-Sri Lanka	10.7	2.41	8.25	2.41
Malawi-Sri Lanka	8.62	1.26	7.35	1.26

*Indicates rejection at the 5% level
** Indicates rejection at the 1% level
Note: 1. For the trace test:
At H_0 (r=0), the 5% critical value is 15.49 and the 1% critical value is 19.94
At H_0 (r≦1), the 5% critical value is 3.84, and the 1% critical value is 6.63
2. For the maximum eigenvalue test,
At H_0 (r=0), the 5% critical value is 14.26 and the 1% critical value is 18.52
At H_0 (r≦1), the 5% critical value is 3.84, and the 1% critical value is 6.63

Table 6b. Multivariate cointegration test
Cointegration Rank Test (Trace)
Ho:no cointergration

	Max Eigen value	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.457772	152.1371	125.6154	0.0004
At most 1 *	0.336201	102.5595	95.75366	0.0157

Regarding bivariate cointegration test, results indicate that pairs of Bangladesh and Malawi, Bangladesh, and Indonesia, FAO and India, Kenya and Malawi, are all integrated at 5% level, only India, and Sri Lanka pair show cointegration at 1%levels. Furthermore, multivariate cointegration test in Table 6 b suggests one cointegrating equation for both trace test none for maximum eigenvalue at 5% level. Suggesting that there is one common stochastic trend driving all the tea prices which are probably volatility in the current prices and by extension implies that in the long run, the prices converge to equilibrium. We can infer from the results that there is no long-run cointegration relationship between FAO composite price and most tea auction prices except for Indian pair, confirming that FAO composite index does not seem fully integrated with auction tea prices.

Granger causality test

Table 7 Tests of Granger-causality on tea prices, 2003 to 2009
H0: no causality, 2 lag, N=43

Exogenous	Endogenous	F-statistics	Probability
Bangladesh	SriLanka	0.34	0.709
SriLanka	Bangladesh	2.70	0.073*
FAO	SriLanka	0.626	0.537
SriLanka	FAO	2.71	0.072*
India	SriLanka	1.891	0.157
SriLanka	India	11.96	3.0E-05*
Indonesia	SriLanka	0.609	0.546
SriLanka	Indonesia	12.48	2.0E-05*
Kenya	SriLanka	1.68	0.192

SriLanka	Kenya	3.61	0.03*
Malawi	SriLanka	1.150	0.32
SriLanka	Malawi	3.00	0.05*
FAO	Bangladesh	3.612	0.031*
Bangladesh	FAO	0.400	0.67
India	Bangladesh	2.928	0.059*
Bangladesh	India	0.763	0.46
Indonesia	Bangladesh	2.89	0.06*
Bangladesh	Indonesia	4.50	0.01*
Kenya	Bangladesh	2.31	0.105
Bangladesh	Kenya	1.66	0.195
Malawi	Bangladesh	2.14	0.123
Bangladesh	Malawi	5.38	0.006*
India	FAO	2.01059	0.140
FAO	India	7.12626	0.001*
Indonesia	FAO	0.056	0.945
FAO	Indonesia	16.94	8.0E-07*
Kenya	FAO	2.126	0.126
FAO	Kenya	4.726	0.011*
Malawi	FAO	3.57	0.032*
FAO	Malawi	9.00	0.0003*
Indonesia	India	4.17	0.018*
India	Indonesia	1.46	0.237
Kenya	India	2.43	0.094*
India	Kenya	4.50	0.014*
Malawi	India	1.34	0.266
India	Malawi	4.85	0.010*
Kenya	Indonesia	9.69	0.0001*
Indonesia	Kenya	1.18	0.311
Malawi	Indonesia	4.63	0.012*
Indonesia	Malawi	2.16	0.121
Malawi	Kenya	0.78	0.458
Kenya	Malawi	12.50	2.0E-05*

The results of Granger causality test reported in Tables 7 reveal that there are real significant volatility causality from the Sri Lanka to Bangladesh market and not vice versa. Results indicate co-movement information flows from Sri Lanka market to Bangladesh tea auction market between prices. Similarly, there is positive volatility transmission from Sri Lanka to Kenya and not vice versa. Further results also confirm that there is no reverse volatility from Sri Lanka to India, Indonesia and Malawi suggesting that volatility is transmitted to these countries and not vice versa. Granger causality results also indicate that FAO volatility influences India, Kenya, Malawi, Indonesia and Bangladesh auction markets and not vice versa, there was no volatility between Kenya and Bangladesh. We have bidirectional between FAO and Malawi and between Kenya and Malawi and also between Indonesia and Bangladesh. Overall, these results indicate that Colombo auction market in Sri Lanka and FAO prices are exporting their volatility to all auction markets. Finally volatility in the African markets of Mombasa in Kenya and Limbe in

Malawi tend to be bi-directional, supporting the fact that most of the Tea from Malawi is sold in Mombasa auction as opposed to Limbe auction centre Malawi (Tanui et al., 2012) Using monthly data, the results indicate that nearly all commodities have significant trend and cyclical components. Volatility seems to spill across all tea markets with markets experiencing common shocks, rather than being isolated from each other.

Conclusions, Implications, and Limitation for the tea industry

Results from the study suggest that transmission of volatility is evident in all tea markets under study either of the international tea price or across linkages in the integrated tea auction markets, especially from Sri Lankan market. Granger causality can be interpreted to suggest that the market side facing the greatest level of uncertainty is likely to produce the exogenous price (Schroeter and Azzam, 1991). In the tea industry, supply is the natural candidate for such uncertainty, the variability in supply, subject to many substitutes with cheaper tea products. Tea can be considered as having a share of the soft drink/beverages market, as well as having functional food potential. On the demand side, tea occupies a small proportion of the consumer's budget. Up to a certain level of demand, tea is sensitive to changes in price and income. Superimposed on this there may be a tendency to shift from common to better quality teas as income increases. However, consumer preferences for beverages are somewhat fixed and switching from one beverage to the other may take place over an extended period. The ability to vary output in the short run is an important feature of tea production, which distinguishes it from other plantation crops. When prices reach rock bottom, the output control should be encouraged through resorting to plucking high-quality raw material for processing.High prices, on the other hand, encourage coarser plucking. This relatively high short-run price elasticity implies that producers can react more quickly to situations of overproduction and excesses in stocks. It is through this instrument that the efforts at price control have sought to operate. On the demand side, a concerted effort through marketing increase consumption. Exchanging information and views between producers and consumers, as well as public and private sectors, could promote greater market transparency. Some of the main reasons for limited production of orthodox tea are the inadequate capacity to produce and higher cost of production of orthodox tea vis-à-vis CTC tea. Tea Boards in the respective countries should balance the production of the two types of tea through the introduction of Orthodox Subsidy Schemes. Tea related organizations in black tea producing countries should work toward the realization of production of high-quality tea as well as expand production bases of orthodox teas. The main limitations of the study are that we covered only tea producing countries with functional tea auction markets. Other famous tea producing countries, such as China, Vietnam, Argentina, and Turkey among others also produce tea in large quantities but do not have auction markets and were therefore not included, the other limitation related to econometric procedures applied highlighted in each methodology used.

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Influence of Monitoring and Evaluation Strategy on Implementation Of Donor Assisted E-Health Management Systems In Public Health Facilities In Nakuru County

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Abstract
Thepurpose of this study was to analyze the influence of monitoring and evaluationstrategy on implementation of donor assisted e-health management systems in public health facilities in Nakuru County, Kenya. Descriptive survey research design was used targetingthe health Ministry in the national and county governmentsand involved public health facilities andpartnering NGOs. Using quantitative techniques on data collected from 79 persons comprising e-Health program managers and staff, the study established that M&E strategy had a statistically significant relationship with the implementation of e-health management systems in public health facilities in Nakuru County ($t = 2.01$, $p < 0.05$) implying that it was an influential factor which must be prioritized in the implementation process. The studyrecommends that the e-health system implementers ensure that in addition to the M&E evaluations, quality evaluation and reporting be publicized so as to raise the quality standards of the system after implementation.

Keywords: E-Health Management Systems, Implementation, Monitoring and Evaluation strategy

1. Introduction

The World Health Organization (WHO) and International Telecommunication Union (ITU) defines electronic health system (e-Health) as a computerized medical record used to capture, store, and share information among healthcare providers in an organization, supporting the delivery of healthcare services to patients (WHO, 2016). In this definition the data is collected from the medical records either paper based or electronic and later processed using Health Management Information System (HMIS) for statistical reports and clinical management (Kenya National eHealth Policy, 2016). The collective systems that can handle both statistical data processing and clinical applications are often referred to as e-Health or Health Information Technologies (HIT) (Malunga & Tembo, 2017). Hage, Roo, van Offenbeek and Boonstra (2013), however, describe e-health as any interactive communications and information technology aimed at enhancing community quality of life and/or individual health outcomes. Following this definition, health information can be accessed from the thousands of websites offering health information of varying quality used by health professionals as well as by laypersons (Ross, Stevenson & Lau, 2015). Such online health information has become one of the most important information sources for people seeking health information in recent years. In the current study, the focus will be on the definition supplied by WHO (2016).

E-health allows health organizations to streamline many of their processes and provide services in a more efficient and cost-effective manner. Planning to exploit the latest technologies in the healthcare industry is an important strategy for many healthcare organization and governments to enhance healthcare services so as to reduce operations costs. However, given the promising results on cost-effectiveness, such interventions are not as widely used as might be expected. There is enough evidence in research that suggests e-health is still characterized by low adoption in public healthcare management systems (Lieneke et al., 2017; Malunga & Tembo, 2017; Murray, May & Mair, 2010). The key perspectives emerging from these studies as having the most significant bearing on e-health implementation success include the technological context, product features, and the user and organizational context (Lieneke et al., 2017). These have been used to inform implementation strategies in the past, however, their successes have not been quite forthright.

1.1.1 Strategy Implementation

A strategy is a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment. Strategies are methods or plans chosen to bring about a desired future, such as achievement of a goal or solution to a problem. Strategic management scholars agree with Porter (1985) that strategy is a competitive plan that relates to the overall pattern activities and provide a sense of direction to an organization (Johnson, Whittington & Scholes, 2011). It is designed to ensure that the basic objectives of the organization are achieved through proper execution by the organization (Thompson & Strickland, 2005). According to Porter (in Allen & Helms, 2006), strategies can be grand or generic. Grand strategies are long-term and can be customized to a specific firm or large organization such as government, while generic strategies can be pursued by any type or size of organization (Wheelen & Hunger, 2008).

Effective and efficient strategy implementation involves developing an organization having potential of carrying out strategy successfully, disbursement of abundant resources to strategy-essential activities, creating strategy-encouraging policies, employing best policies and programs for constant improvement, linking reward structure to accomplishment of results and making use of strategic leadership (Cespedes & Piercy, 2010). Excellently formulated strategies will fail if they are not properly implemented. In addition, it is essential to note that strategy implementation is not possible unless there is stability between strategy and each organizational dimension such as organizational structure, reward structure and resource-allocation process.

Several barriers have been identified in the implementation of the e-health system that affect even among those willing to adopt the system. For example, Hage et al., (2013) in their systematic review of various studies on e-Health implementation identified funding and costs, low availability, low accessibility, not fulfilling a demand and poor user friendliness as barriers to implementation of the e-Health system. A study carried out in the Netherlands by Lieneke et al.,(2017) found that while health care professionals and patients acknowledge the benefits arising from the implementation and use of eHealth services in daily practice, they were concerned with barriers such as availability, allocation of resources, financial aspects, reliability, security, e-Health system confidence, and the lack of education and training.Implementation strategies in the context of e-health are assumptions of how change needs to be executed, formulated with the aim to implement e-Health (Hage, Roo, Van Offenbeek & Boonstra, 2013). However, the studies done so far have not examined the efficacy of strategies used in implementing e-health systems. As such, the approach to e-health implementation varies from organization to organization and also across different contexts and their impact remains relatively unknown.

1.1.2 E-Health Policy in Kenya

In a bid to realize improved healthcare for its citizens in Kenya, the Ministry of Health identified and prioritized the development and operationalization of a comprehensive National eHealth Policy meant to clearly outline and guide stakeholders on the strategic direction on the use of ICTs in the health sector. It is envisaged that the National and County Governments will benefit immensely from this policy framework as it will guide them as they plan and budget for healthcare services at all levels of care. Moreover, this policy is meant to accelerate the realization of Sustainable Development Goals (SDGs) and foster economic growth. Currently, in the country, more than 35 counties have implemented at least one eHealth project. Of these, most projects are concentrated Nairobi, Mombasa and Kisumu Counties projects (KeHP, 2016). However, while peri-urban regions like Busia, Kakamega and Vihiga counties also had a good number of eHealth projects, counties in Arid and Semi-Arid regions such as Turkana, Wajir, Garissa, Samburu, Marsabit and Mandera had the least number of eHealth systems and interventions. Regarding ownership and investment, the policy document revealed that most of the eHealth projects implemented were mostly funded by development partners and Non-Governmental Organizations (NGOs) that led to concerns over issues of sustainability and ownership. Consequently, the eHealth policy and regulatory framework was developed to provide guidance on ownership of eHealth.

2. The Problem

In Kenya, the National e-Health Policy (2016) recognizes that there are marked disparities in e-Health adoption across geographical and administrative boundaries with the major cities in the country showing more promising adoption rates compared to the rural areas. The same trends can be observed across different counties. Mulwa (2013) found out that in Kenyan hospitals, data is entered manually and is thus bound to human error, misplacement or loss of files, and thus may increase the cases of misdiagnosis of a patient. A study by Chebole (2015) in Nakuru County found that the e-Health systems had been fully adopted by 21% of the implementers and a significant number of medical practitioners still using a hybrid system consisting of both paper and electronic systems. Therefore, it can be deduced that implementation of e-Health is partially successful in the country at best. However, the strategies used in adoption vary due to the complexity of the processes of change at the micro level for professionals and patients and at the meso level for health-care organizations themselves (Ross, Stevenson, Lau& Murray, 2016). Majority of the organizations carry out monitoring and evaluation (M&E) for tracking and reviewing the efficacy of the implementation process. However, the effectiveness of M&E as a strategy for e-health implementation has not been examined in previous studies on e-health, therefore, motivating the need for the study to examine the influence of Monitoring and Evaluation strategy on implementation of donor assisted e-health management systems in Kenya focusing on public health facilities in Nakuru County.

3.Objective of the Study

The main objective of the study was to assess the influence of Monitoring and Evaluation strategy on implementation of donor assisted e-health management systems in public health facilities in Nakuru County.

4. Literature Review

4.1 Monitoring and evaluation and implementation of e-health management systems

Monitoring and evaluation are thinly distinct elements within the project management cycle but are highly dependent and mutually of significant importance to project sustainability (UNDP, 1997). Monitoring is the process through which the essential aspects of project implementation such as reporting, usage of funds, record keeping, and review of the project outcomes are routinely tracked with an aim of ensuring the project is being implemented as per the plan (Mackay, 2010). Monitoring is undertaken on a continuous base to act as an internal driver of efficiency within the organization's project implementation processes and its main agenda is to develop a control mechanism for projects (Crawford & Bryce, 2003). Monitoring and evaluation should offer comprehensive and relevant data that will support decision making. According to Gianelle and Kleibrink (2015) Monitoring should achieve three fundamental purposes, Firstly, inform about what strategy is achieved and whether execution is on track and making the information available to decision makers; Secondly, clarify the rationality of intervention of the strategy and make it coherent to the stakeholders and lastly, support constructive involvement and participation of stakeholders through transparent communication and encourage trust building.

Evaluation is a definite and systematic approach geared towards reviewing an ongoing project to ensure that it meets the goals or objectives that were fundamental to its undertaking (Uitto, 2004). Project evaluation serves various purposes; first, to inform decisions for project improvement by providing relevant information for decision making concerning setting priorities, guiding resource allocation, facilitating modification and refinement of project structures and activities and signaling need for additional personnel (Mulwa, 2008). Secondly, evaluation provides a process of learning. By learning from the past, one can improve the future. Further, evaluation helps project managers to develop new skills, open up to the capacity of constructive self-criticism, to objectivity and to improve on future planning as a result. Through evaluations the organization in extension conducts a SWOT analysis since the strengths, weaknesses, opportunities and challenges of the projects are taken into account (Arbab-Kash et al., 2014). Evaluation creates future benchmarks to guide evaluations of other projects. It also helps in creating a knowledge bank for management which is an ideal trend in contemporary world where organizations are leaning towards knowledge management in project management (Calder, 2013). Lastly through evaluations, project managers are able to access how projects faired in terms of meeting the budgetary limits as well as in terms of efficiency.

Key aspects of monitoring and evaluation are the setting up of the system, implementing the system, involving all stakeholders and communicating the results of the monitoring and evaluation process. A monitoring and evaluation system should be as relevant as possible to the organization to ensure its reliability and independence (Garg, 2006). An effective monitoring and evaluation system should be able to offer conclusive information that can effectively be utilized towards better project success (Mulwa, 2008). Through the system, any stakeholder should be able to identify the potential benefits of the project, ways of enhancing screening and tracking of the project as well as offer an outline of the successes, challenges and opportunities for future projects undertakings. In order to foster the support of the employees, an effective monitoring and evaluation system should seek to enhance the communication and interaction among the personnel which will help to build up teamwork within the project (Blackstock, Kelly, & Horsey, 2007). Similarly, the involvement of the project stakeholders should not be downplayed as these are the people who own and are directly affected by the project successes and impacts.

Effectiveness of the M&E system focuses on expected and achieved accomplishments, processes, examining the results chain, contextual factors and causality, to understand achievements or the lack of achievement. Project objectives of a development project should be consistent with the requirements of beneficiaries and organization's strategies, and the extent to which they are responsive to the organization's corporate plan and human development priorities such as empowerment and gender equality. Development initiatives and its intended outputs and outcomes should also be consistent with national and local policies and priorities (Sipopa, 2009). Monitoring and evaluation activities enable the stakeholders determine whether the body undertaking project implementation has adequate legal and technical mandate to implement projects on their behalf (Soludo, 2006). Post completion assessment is done to correlate between plans and real impact of the project. Evaluation looks at what the project managers planned, their accomplishments so far and how they achieved them (Mulwa, 2007). This can be done at the early stages of the project life or at the end of the implementation.

Within the context of eHealth solution implementation projects, evaluations can assume various forms and be conducted during different phases of the project (International Labour Organization, 2015). Ideally, considerations for evaluation should begin during the project design stage and carry through to the post implementation stage. Depending on their timing, evaluations may be used to inform future phases of the project, for example, formative evaluations. Evaluations performed later in the project like summative evaluations may serve accountability purposes by examining and reporting specific outcome metrics and lessons learned to relevant stakeholders, such as, project funders and partners (Fleur, Binyam& Martin, 2015). The acronym METRIC—Measure Everything That Really Impacts Customers—can be used to help identify evaluation priorities (Osheroff, 2009). In the context of eHealth, the term "customers" refers to all stakeholders, including persons who are receiving care, health professionals, health care leaders, and health care organizations.

The literature supports the need for all e-Health solution implementation projects to be formally evaluated using a comprehensive evaluation framework (McGrath et al., 2008). Despite this, there is a paucity of evidence in this area. Multiple researchers have described the challenges associated with the evaluation of eHealth solution implementation projects and the problems resulting from studies not guided by a comprehensive evaluation framework. Nykänen and Kaipio (2016) analyzed the scope and quality of evaluation studies conducted within the last fifty years. They concluded that many of these studies had design flaws attributed to the evaluation methods employed. Given the complexity of the health care environment, the variety of users, uses and practice settings, the researchers emphasized the need for systematic approaches and guidelines to design and to carry out different kinds of evaluation studies to provide evidence about the impacts and actual efficiency, quality, usability and safety of health IT.

A study by Makori and Wanyoike (2015) conducted among donor funded value chain projects found that implementation, training and capacity on M&E were very important in performance of value chain. The study recommended building M&E capacities through training, regular reviews, adequate budgeting. Underfunding of intermediary agencies and consequent lack of professional capacity and high staff turnover affects result based M&E (Godfrey, 2002). Khang and Moe (2008) found empirical evidence that effective consultations are far more important in influencing the project success. Strategy reviews have been shown to be critical control processes for continuous modification of strategy. Maitlis and Lawrence (2007) found that constant clarification and successive modification of the plan leads to a more acceptable plan and hence reduced negative behaviors.

Mumbua and Mingaine (2015) examined factors influencing implementation of strategic plans in the Machakos County Government and found that there is no proper alignment of resources with the strategic plans of the Council. The study recommended that alignment of resources should be done properly to utilize the skills acquired and make use of the human and physical capital available. Further, proper training and instruction should be given to the lower level employees to be competent in their area of work. Ouma (2016) study also found that making allowances for adequate monitoring and evaluation gives the project manager and field officials the ability to anticipate problems, to oversee corrective measures, and to ensure that no deficiencies are overlooked thus resulting in effective project implementation.

4.2 Agency Theory

The principal and agent theory emerged in the 1970s from the combined disciplines of economics and institutional theory. There is some contention as to who originated the theory, with theorists Stephen Ross and Barry Mitnick claiming its authorship. Agency theory, also known as the principal agent or principal agency theory/model describes the relationship between two or more parties, in which one party, designated as the principal, engages another party, designated as the agent, to perform some task on the behalf of the principal (Jensen &Meckling, 1976; Moe, 1984; Ross, 1973). The theory assumes that once principals delegate authority to agents, they often have problems controlling them, because agents' goals often differ from their own, and because agents often have better information about their capacity and activities than principals. Agency theory focuses on the ways principals try to mitigate this control problem by selecting certain types of agents and certain forms of monitoring their actions, and by economic incentives (Kiser, 1999). This theory is instrumental to the study from two perspectives. First, e-health implementers are part of an agency chain that involves system implementers, NGOs and state actors with the principals being international development partners and the citizenry. In the context of this study, however, the principal is taken as the donor organizations and the system implementers being the agents. Hence, the theory will be instrumental in analyzing the principal agent relationship between the implementers and the donors.

5. Research Methodology

5.1Research Design

The study used descriptive survey research design. Since the study sought to obtain descriptive and self-reported information on how certain challenges affect service delivery in a particular devolved unit of government, the descriptive research design enabled the researcher to expose the respondents to a set of standardized questions to allow comparison (Orodho, 2004).

5.2 Target Population

The population of interest of this study comprised of the management of the ministry of health (MoH) both at the national and county government level, the management of public health facilities in Nakuru County, ICT staff at the ministries and hospitals and management and staff of NGOs assisting in the implementation of e-Health in the area. Therefore, the study targeted 2 levels health ministries, 42 public health facilities and 7 NGOs (Department of Health Services-Nakuru County, 2016) bringing the total accessible population to 220 persons.

5.3 Sampling and Sampling Techniques

The study employed the formula proposed by Nassiuma (2000) to calculate the required sample size from the target population of 220, thus;

$$n = \frac{N c^2}{c^2 + (N-1) e^2}$$

Where n = sample size, N = population size, c = coefficient of variation (≤ 50%), and e = error margin (≤ 3 %). This formula enables the researchers to minimize the error and enhance stability of the estimates (Nassiuma, 2000). Substituting into the formula:

$$n = 220 *$$

Thus, a sample size of 111 respondents obtained from the above formula. Stratified random was used to sample on ICT staff while using purposive sampling on the managers in order to obtain the required sample size. The main factor that was considered in determining sample size is the need to keep it manageable while being representative enough of the entire population under study. The use of the two sampling methods as opposed to other sampling designs was informed by the need for respondent specificity and the need for introducing randomness (Kothari, 2004).

5.4 Research Instrumentation

The study used primary data which basically involves creating "new" data (Kombo & Tromp, 2006). The data was based on the perceptions and attitude of the respondents towards the subject of interest to the present study. Therefore, given the nature of data to be collected, the scope of the study, time available and the nature of variables under investigation in the study, questionnaires were the most appropriate data collecting instruments. The study used a structured type questionnaire, containing only closed ended items.

5.5 Pilot Test, Validity and Reliability of the Research Instruments

This study used questionnaires after pilot testing them for correctness and accuracy on 15 non-participatory respondent sample. Piloting of the questionnaires was done in Kericho County which has similar demographic patterns. The results of the pilot test were used to assess the usability of the questionnaires for the study purposed. The study adopted content validity which to ascertain whether the test items represented the subject content that the study sought to investigate (Mugenda & Mugenda, 2003). As such, in order to ensure that all the items used in the questionnaires were consistent and valid, the instruments were subjected to scrutiny and review by the researcher's supervisors at Kabarak University. The items were rephrased and modified where necessary to avoid ambiguity before being used for data collection.

The researcher used the internal consistency method to check the reliability of the research instruments. This was done by calculating the Cronbach's alpha coefficient for all the sections of the questionnaire from the results of the pilot study. The study established a Cronbach Coefficient instrument reliability α = 0.891 which was deemed admissible for the study. A value of 0.7 or below of the Cronbach's alpha coefficient is generally taken to show low internal consistency, hence, requiring rephrasing or deletion and replacement from the instrument (Cronbach & Azuma 1962).

5.6 Data Analysis Techniques and Presentations

Data was analyzed using both descriptive and inferential statistical methods. Descriptive analysis was done using means and standard deviations to describe the basic characteristics of the population. Inferential statistics involved the use of Pearson's Product Moment correlation and linear regression model to determine the nature of the relationship between the variables with the linear regression model assumed to hold under the equation;

$$y_{ij} = b_0 + b_1 x_1 + e$$

Where;

y = Implementation of Donor Assisted E-Health Systems

b_0 = Model Constant

x_1 = Monitoring and Evaluation Strategy

b_1, the coefficients of the variable to be determined by the model

e = the estimated error with zero mean and a constant variance

6 Results

6.1 Introduction

This chapter presents the data analysis results and discussions. Table 1 shows the response rates.

Table 1: Response Rate

Instruments issued	**Instruments returned**	**Percentage response (%)**
111	79	71

One hundred and eleven questionnaires were administered to the respondents and seventy-nine were returned duly filled and useable for the study purposed. This represented 71% response rate and acceptable for the study. According to Mugenda and Mugenda (2003), a response rate of over 50% is considered acceptable.

6.2 Monitoring and Evaluation and Implementation of E-Health Systems

The objective of the study was to assess the influence of Monitoring and Evaluation strategy on implementation of donor assisted e-health management systems in public health facilities in Nakuru County. The results are summarized in Table 2.

Table 2: Monitoring and Evaluation Strategy and Implementation of E-Health Systems

Statement	SA Freq(%)	A Freq(%)	N Freq(%)	D Freq(%)	SD Freq(%)	**χ2**	**p-value**
We often seek to incorporate M&E agencies at the beginning of a project to ensure they are conversant with our systems	25(32)	40(51)	10(13)	2(3)	2(3)	99.48	0.000
We always require that M&E organizations contracted by our organization are conversant with the implementation policies	27(34)	42(53)	7(9)	2(3)	1(1)	88.56	0.000
We have internally scheduled systems reviews	21(27)	45(57)	8(10)	5(6)	0	58.4	0.000
We have our own internal M&E team which we often require to work with the external M&E agencies	21(27)	46(58)	7(9)	3(4)	2(3)	87.12	0.000
We have a well-defined scope of work for M&E both internal and external	26(33)	39(49)	12(15)	2(3)	0	68.75	0.000
We have a specific template for M&E reporting	24(30)	42(53)	10(13)	3(4)	0	63.69	0.000
We always adopt the reports after making our own strategic review of the report	28(35)	30(38)	14(18)	6(8)	1(1)	149.49	0.000

The findings in Table 2 suggest that most e-health management system implementing agencies in the area always sought to incorporate M&E agencies at the beginning of a project to ensure they are conversant with their systems (51%). They also required that M&E organizations they contracted be conversant with the implementation policies (53%). Most had internally scheduled systems reviews (57%). In addition, they had their own internal M&E team which they often required to work with the external M&E agencies (58%). Other findings suggest that most implementing agencies had well-defined scope of work for both internal and external M&E evaluators (49%). Most also had specific templates for M&E reporting (53%). The agencies always adopted the M&E reports after making their own strategic review of the report (38%). It can be deduced from the foregoing findings that the underlying strategic concepts used by the agencies for M&E were involvement and strategic direction setting (Cespedes & Piercy, 2010). These were achieved by first ensuring that all M&E organizations were involved at an earlier stage to enable them track developments and advise accordingly to enable the implementers to conveniently accommodate vital changes (Fleur et al., 2015). Second the adoption of the reports after strategic review was an important approach to strategic direction setting (McGrath et al., 2008).

6.3 Implementation Status of Donor Assisted E-Health Systems

The study also sought to determine the implementation status of donor assisted e-health management systems in public health facilities in Nakuru County.

Table 3: Implementation Status of Donor Assisted E-Health Management Systems

Statement	SA Freq(%)	A Freq(%)	N Freq(%)	D Freq(%)	SD Freq(%)
The adoption rates for the e-health system are increasing in the county	9(11)	21(24)	24(30)	16(20)	12(15)
Our projects implementation costs rarely go beyond what has been budgeted for	15(18)	40(51)	15(19)	5(6)	4(5)
We are able to make maximum use of the resources at our disposal when implementing e-Health	21(27)	41(52)	9(11)	6(8)	2(3)
The system is proving reliable in to both implementers and users	21(27)	42(53)	13(16)	2(3)	1(1)
We have been able to reduce challenges associated with system downtime	20(25)	43(54)	11(14)	4(5)	1(1)
The implementation of the system has improved its accessibility to all intended users	28(35)	37(45)	10(13)	1(1)	3(4)
We have been able to achieve our performance targets	25(32)	32(41)	11(14)	9(11)	2(3)
We still experience several constraints which limit our operations	22(28)	34(43)	7(9)	9(11)	7(9)

The results in Table 3 suggest that there was considerable uncertainty regarding the adoption rates for the e-health system are increasing in the county (30%). The findings, however, indicate that the projects implementation costs rarely went beyond what has been budgeted for by the implementers (51%). The implementers were also able to make maximum use of the resources at their disposal when implementing e-Health (52%). Most respondents were also of the view that the system was proving reliable to both implementers and users (53%) as they had been able to reduce challenges associated with system downtime (54%). Moreover, the implementation of the system had improved its accessibility to all intended users (45%). Other findings also indicate that most system implementers had been able to achieve their performance targets (41%), though, most still experienced several constraints limiting their operations (43%). The findings suggest that universal implementation of e-health management systems had not been attained. This is consistent with the report by the National e-Health Policy (2016) that recognized marked disparities in e-Health adoption across geographical and administrative boundaries. Earlier studies in the country by Mulwa (2013) and Chebole (2015) had also indicated that the implementation of the e-health systems were moving slowly than expected. The findings also imply that the system challenges were inherent on the system design and configuration as opposed to the implementation approaches. They confirm the successes in the implementation of the e-health management system was primarily a result of the resource-based view where the project implementers tended to maximize on resources and opportunities available to achieve their objectives (Ireland, Hitt&Hoskisson, 2008).

6.4 Regression Analysis

Bivariate regression analysis was used to determine the regression model postulated in chapter three held and actually represented what was happening on the ground. The results are given in Table 4

Table 4: Multiple Linear Regression Analysis Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.478[a]	0.229	0.219	4.39940

a. Predictors: (Constant), M&E Strategy

b. Dependent Variable: E-Health Implementation

The linear regression analysis results in Table 4shows that the relationship between the dependent variable and the independent variable had a model correlation coefficient R = 0.478 which was higher than any zero order value in the table. The results in Table 4also suggests that the model could explain up to 22.9% of the variations in the implementation variable. This indicates that the model could improve when more variables are incoporated when trying to analyze the strategies used in implementing donor assisted e-health management systems in Nakuru County.It was also salutary to carry out an ANOVA to validate the findings in Table 5. The results of the ANOVA are summarized in Table 4.9.

Table 5: Depended variable: Implementation (ANOVA)

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	442.292	1	442.292	22.852	.000[b]
Residual	1490.315	77	19.355		
Total	1932.608	78			

a. Dependent Variable: E-Health Implementation

b. Predictors: (Constant), M&E Strategy

The results of Table 5 indicate that there is a significant difference between means of the M&E variable and the variable describing the implementation status of donor assisted e-health management systems in Nakuru County ($F_{o'} = 22.852 > F_c = 3.96$; $\alpha < 0.05$; df = 1, 77; $p < 0.05$). This finding confirms that the model predicted by Table 4and shows that it is indeed significant. Further, the beta value was used to determine the model linking the M&E strategy to e-health implementation as shown in Table 6.

Table 6 : Multiple linear regression results

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	7.608	4.997		1.522	.132
M&E Strategy	.728	.152	.478	4.780	.000

a. Dependent Variable: E-Health Implementation

It can be deduced from the findings in Table 6 that Monitoring and Evaluation Strategy ($\beta = 0.478$, $p < 0.05$) significantly influenced implementation of donor assisted e-health management systems in Nakuru County as per the model and that could be predicted by the linear relationship;

$$Y = 7.608 + 0.728 \text{ Monitoring and Evaluation Strategy (MES).}$$

Therefore, with regard to the null hypothesis;

$H0_1$:*Monitoring and Evaluation strategy does not significantly influence implementation of donor assisted e-health management systems in public health facilities in Nakuru County***.**

It is evident from the beta values in Table 6, that there was a significant relationship ($\beta = 0.478$, $p < 0.05$) between the two variables and, therefore, we fail to accept the null hypothesis and adopt the view that Monitoring and Evaluation strategy significantly influenced implementation of donor assisted e-health management systems in public health facilities in Nakuru County. These findings support those of Nykänen and Kaipio (2016) who found that the success of the implementation of healthcare projects which are generally complex in nature were dependent on the evaluation methods employed. The findings also concur with Makori and Wanyoike (2015) who found that implementation, training and capacity on M&E were very important in performance of donor assisted projects. Khang and Moe (2008) had also earlier on found empirical evidence that effective M&E consultations were far more important in influencing the project success.

7. Recommendations and Areas for further study

In the light of the preceding findings, the study therefore recommends that there is need for the implementing organizations to ensure that in addition to the M&E evaluations, quality evaluation and reporting should be made available to all pertinent stakeholders so as be able to raise the quality standards of the system after implementation and, thereby, increase the levels of confidence in the system.

Regarding future studies in this area, the study recommends that more research should be done on the influence of employee development strategies on e-health implementation programs. Studies should also be done on resource management strategies adopted for e-health implementation.

8. Conclusions

The findings revealed that most e-health management system implementing agencies in the area always sought to incorporate M&E agencies at the beginning of a project to ensure they were fully conversant with their systems. Moreover, they also required that M&E organizations contracted be conversant with the implementation policies. The findings also revealed that most implementing agencies had adopted internally scheduled systems reviews and, in addition, they had their own internal M&E teams which they often required to work with the external M&E agencies. They also had well-defined scope of work for both internal and external M&E evaluators and had specific templates for M&E reporting. The M&E reports were often adopted depending on the agencies making their own strategic review of the report. Monitoring and Evaluation strategy was also found to have a strong correlation with the implementation of donor assisted e-health management systems in public health facilities in Nakuru County. Additionally, the study established that M&E strategy had a statistically significant influence on the implementation of the e-health management systems in the regression model. Therefore, the study concludes that monitoring and evaluation strategy was very important to the implementation of donor assisted e-health management systems in public health facilities in the study area. This approach ensured objectivity in the implementation process as well as providing strategic direction to the implementers. The study contributes to the growing research on e-Health implementation by providing a strategic management dimension. In this aspect M&E serves as variable for strategic review process which is an important component of strategy implementation. Theoretically, the study underscores the importance of M&E in mitigating the agency problem in donor-funded organizations. Consistent with the agency theory, the findings show that the agency problem in organizations especially the alignment of objectives and resources can be reduced when M&E is regularly done in the organizations both internally and through external agents.

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Efficacy of Monitoring and Evaluation Framework on Implementation of Development Projects. A Comparative Analysis of Machakos And Embu County, Kenya

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Abstract
Monitoring and evaluation frameworks allow for project activities to be measured and analyzed. There is a gap in the design of M&E frameworks to generate information during the process of monitoring and evaluation and use of this information in future designs. The purpose of this research study was to establish the influence of Monitoring and Evaluation Framework in the successful implementation of County development projects. The study was guided by the main determinants of monitoring and evaluation which are: Monitoring and Evaluation framework dimensions results based performance indicators, learning capacity, participatory tracking and beneficiary accountability. The moderating effects was Government funding and disbursement of funds. The research adopted a descriptive survey design with a mixed method centered within a wider exploratory, cross-sectional framework. The study was conducted in Machakos and Embu County. The population of this study was 132 staff mandated to monitor and evaluate projects undertaken under County government devolved functions from Machakos and Embu County. A sample of 99 respondents was determined and individual elements in different categories were also determined using Stratified random sampling technique. Questionnaires were distributed to respondents through "drop and pick later" method and were subjected to a reliability test using Cronbach's alpha and their response was analyzed quantitatively by means of SPSS. A normality test was conducted using the Shapiro Wilk's test. Factor analysis was undertaken to determine which of the factors are important in determining project completion. The research findings were subjected to regression and correlation analysis to establish the effect and relationship between the independent and dependent variables using a multiple regression model. Data was then be summarized and presented using data tables, percentages and frequency tables. The results were discussed and conclusions made from the objectives. Recommendations were made according to the conclusions made.

Key Words: Beneficiary Accountability, Learning and Adaptive Capacity Monitoring and Evaluation, Performance Indicators, Participatory tracking.

1.1 Background of the Study

The concepts of monitoring and evaluation are usually approached together, as a function of project management, which provides a real perspective upon the stage of the financed project, in order to make all the adjustments necessary in the project implementation process. Monitoring and evaluation are regarded as core tools for enhancing the quality of project management, taking into account that in short and medium run managing complex projects will involve corresponding strategies from the financial point of view, which are supposed to respect the criteria of effectiveness, sustainability and durability (Dobrea et al., 2010). Monitoring activity supports both project managers and staff in the process of understanding whether the projects are progressing on schedule or meet their objectives, inputs, activities and deadlines (Solomon & Young, 2007).

Therefore, monitoring provides the background for reducing schedule and cost overruns (Crawford & Bryce, 2003), while ensuring that required quality standards are achieved in project implementation. At the same time, evaluation can be perceived as an instrument for helping planners and project developers to assess to what extent the projects have achieved the objectives set forth in the project documents (Field & Keller, 1997). Thus, developing a successful project usually involves the development of monitoring and evaluation systems and workflows. (Yaghootkar & Gil, 2011). By including monitoring and evaluation from the pre-project stage, both the project manager and the project team will be providing themselves with thorough and ongoing feedback systems (Stead & Stead, 2003) that will allow them to make timely management decisions without waiting for the results of an evaluation.

Even if the monitoring and evaluation processes are complementary and are part of the same project management function, they are regarded separately (Pollack, 2007). Each supports the other although they seek to ask different questions. Monitoring is based on a current management practice with a focus on improving day-to-day project operation, while evaluation uses a research framework to evaluate the extent to which project objectives have been met or surpassed (Sheperd, 1994). Monitoring and evaluation plays an important role in the wider project planning and implementation cycle of an organisation.

1.1.1 Monitoring and Evaluation Concept

Monitoring has been defined by many authors in different ways. The Organization for Economic Cooperation and Development (OECD, 2002) defined monitoring as a continuous function that uses systematic collection of data on specific indicators to provide management and main stakeholders of an on-going development intervention with indications of the extent of progress and achievement of objectives. Evaluation on the other hand is a systematic and objective assessment of an on-going or completed project, programme or policy with the aim of determining relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability.

Monitoring and evaluation are essential to improving project effectiveness. Effective project monitoring allows a project team to make appropriate decisions on a day-to-day basis and ensures that projects are carried out as planned, and modified when necessary. Evaluation enables project managers to understand and demonstrate the results of their work, determine the best strategies for achieving the project objectives and document lessons learned to improve future programmes (Kasule, 2016).

The success of projects plays a key role in achieving growth and development. Monitoring and evaluation (M&E) systems provide the means to compile and integrate this valuable information into the policy cycle, thus providing the basis for sound governance and accountable public policies. Monitoring and evaluation moves beyond emphasis on inputs and outputs to a greater focus on outcomes and impacts (namely, results) of development projects and programmes (Kusek and Rist, 2004). Effective policy making requires information on whether governments are doing things right and whether they achieve the results intended. Monitoring and evaluation (M&E) systems provide the means to compile and integrate this valuable information into the policy cycle, thus providing the basis for sound governance and accountable public policies.

One common feature of all the types of monitoring and evaluation is the collection of information and reporting on the progress made in project implementation. Traditional monitoring and evaluation collects information and reports on project activities and outputs, while participatory monitoring and evaluation is more concerned with collecting and reporting the participation of all stakeholders. The information generated by these two types of monitoring and evaluation do not demonstrate value for county's funds being invested to benefit constituencies.

As Kusek and Rist, (2004) argue, Monitoring and Evaluation Systems and policies are crucial management tools in achieving results and meeting specific targets. Within all policy areas; what to evaluate, when to evaluate, and how to evaluate are questions of central importance. Proper evaluation demands appropriate evaluation methods, and knowing when (or when not) to use a method in relation to questions posed in a specific evaluation context is often a difficult task. This is true for evaluators (who also need to know how to apply the method) as well as for citizen of evaluations (who also need to have an opinion about the usefulness of the method being proposed by evaluators).

Monitoring activities often feed into evaluation. Evaluation is the process of determining the merit and worth (value) of a programme, serving as a basis for determining if and how a programme needs to be improved or even terminated (Stufflebeam & Shinkfield, 2007). To ensure that their services or programmes are meeting the needs of their clients, organisations need to "continually obtain pertinent evaluative feedback" on their programmes and services (Stufflebeam & Shinkfield, 2007). Hwang and Lim (2013) also established that Monitoring and evaluating, budget performance, schedule performance and quality performance could lead to project success.

According to Flaman, Gallagher, Gonzales and Matsumoto (2001), project success involves business and direct organisational success, impacts on customer and project team, project efficiency and preparation for the future. Failure to implement projects successfully can result in unintended outcomes and impacts. This success requires an all-inclusive stakeholder monitoring and evaluation framework approaches. Yet this is often lacking, ultimately leaving most of the already started projects to tarry from implementation (Kyalo & Muturi, 2015).

Statement of the Problem

Kenya today faces a major transition challenge from a centralized state to one that has adopted the concept of devolution. The new political dispensation has heralded both challenges and enormous opportunity and its success will depend on how it can learn from and experiences of other decentralized and devolved countries. This emerging consensus arises from widespread displeasure with the performance of development programmes in many counties today. Scenarios suggest that the expected delivery of various development projects and programmes has not been fulfilled as per expectation.

Counties are under increasing pressure to show "value for money". Constituents and donors are demanding transparency and accountability for projects, processes since monitoring progress are far less established. Therefore, it is of little surprise that the quality of those monitoring processes can vary widely. By quality, at a minimum timeliness, relevance, reliability, accuracy, usability and credibility. Unless monitoring processes demonstrate these characteristics, they are unlikely to improve performance and enhance accountability.

In Africa including Kenya, project management is also complicated by some factors such as lack of skills in project management, political and community or societal demands. So they lack localized approaches to create relevant outcomes. Since 1970s to 2016 lacking is learning and adaptive ability of stakeholder and their participatory tracking ability. Again, lack of evidence of stakeholder learning experience and adaptive strategies to cope with change impacts realized to reduce the failure rates.

There is inadequate stakeholder participatory tracking of projects leading to unintended outcomes and impacts. There is lack of ability to make choices and decisions allowing for continued realization of sustainable development and reduce and spread risks in the face of continuous change. Since there is no study relating to the influence of learning and adaptive capacity and participatory tracking to project implementation, in particular in Kenya, a gap that needs to be investigated exists.

In Kenya and for a long period of time, M&E has been done in an *ad hoc* manner without a coordinated system. Studies carried out in Kenya shows that quite a number of projects have been successful. For example, The Youth Enterprise Development Fund; whose objective was to increase economic opportunities for the youth as a way of enabling them to participate in nation building (Kimando, 2012). Some other studies show that one of the drawbacks of monitoring and evaluation in Kenya is failure by the management to implement the recommendations offered by the M&E team (Ochieng, 2012). These projects usually undergo the necessary monitoring and evaluation processes which are often a requirement of the law. The paradox is, despite a consensus among scholars that proper monitoring and evaluation leads to project success, there are still cases of project failure in Kenya.

Further projects fail despite heavy presence of monitoring and evaluation activities. This therefore raises serious issues as to whether the monitoring and evaluation employed is effective enough to achieve project success. The monitoring team perhaps may be lacking the necessary capacity or strength to carry out their work effectively, or they may be approaching their work using incorrect methodologies. The project monitoring team may also be lacking the necessary management support.

Each project is meant to address a specific need in a community. The biggest challenge that project initiators face is to identify the needs of the community and address the most important. The success or failure of a project can be measured in terms of how well it is addressed to the target problem it seeks to address. The problem that this study intends to address is why despite the noble ideas and commitment of findings, projects still fail to address the needs they set out to address by stalling or remaining incomplete over a long period being abandoned or even when completed fall far below expectations of the beneficiary communities.

The success of projects plays a key role in achieving organization growth and development. Project monitoring and evaluation exercise adds value to the overall efficiency of project planning, management and implementation by offering corrective action to the variances from

the expected standard. Effective service delivery therefore requires that; the principles, objectives, indicators, inputs, outputs, outcomes , impact and implementation strategies are well structured in a way that allows collection of quality data which would be used to inform policy and project implementation, hence the need for a monitoring and evaluation framework. Several projects lack the relevant local indicators making it hard to measure the outcomes and impacts change as expected. This will continue the decades of declining development achievements hindering realization of millennium development goals by 2015 (Care International, 2012; World Health Organization, 2015). Recently it is a main requirement in all policies, programs and projects of the World Bank (WB), Asian Development Bank (ADB) and international donor institutions, such as JBIC, CIDA, and USAID, among many others.
In spite of the powerful influence of monitoring and evaluations in the performance of most organisations, particularly in the public sectors, there are still skepticisms about its efficacy in terms of implementation of projects to completion. However, these skepticisms cannot overshadow the relevance of their influence on evaluation on service delivery within the public sector organisations thus the study seeks to examine the effectiveness of monitoring and evaluation in achieving project success in Kenya.

1.3 Objectives of the study

The general objective of the study was to establish the Efficacy of Monitoring and Evaluation Framework on Implementation of Development Projects, a Comparative Analysis of Machakos and Embu County, Kenya.

1.3.1 Specific objectives:

The study was guided by the following specific objectives:

i) To determine the influence of result based performance on the implementation of development projects.
ii) To establish the influences of learning capacity on implementation of development projects.
iii) To examine the effects of participatory tracking on implementation of development projects.
iv) To determine the influence of Beneficiary accountability on implementation of development projects
v) Moderating effect of national government funding and disbursement on the implementation of development projects.

1.4 Research Hypotheses

The following hypotheses were used for the study:

$\mathbf{H_{01}}$**:** There is no significant influence in results based performance and implementation of development projects.

$\mathbf{H_{02}}$**:** There is no significant influence in learning capacity and implementation of development projects.

$\mathbf{H_{03}}$**:** There is no significant influence in participatory tracking and implementation of development projects.

$\mathbf{H_{04}}$There is no significant influence in Beneficiary accountability on implementation of development projects

$\mathbf{H_{05}}$**:** Moderating effect of national government funding and disbursement has no significant influence on the implementation of development projects.

LITERATURE REVIEW

Theory of Effective Project Implementation

According to Funnell & Rogers (2011), the Theory of Effective Project Implementation is a series of steps taken by responsible projects managers to plan change process to elicit compliance needed to install changes. The managers use implementation to make planned changes by creating environments that support survival of such changes (Nutt, 2006). Implementation is a procedure directed by a manager to install planned changes. There is widespread agreement that managers are the key process actors and that the intent of implementation is to install planned changes, whether they be novel or routine.

Contingency Theory

This theory describes how situations influence leadership actions. The Hersey Blanchard Situational Leadership Theory created by Hersey and Blanchard (2009) encourages leaders to choose a style based on the capability of their subordinates. If new subordinates need specific instructions, effective project managers tell them what to do, typically by providing comprehensive step-by-step procedures (Hersey & Blanchard, 2009). When team members know how to accomplish a task, project managers tell subordinates what needs to be done but spend less time communicating how to do it. If the project team members don't require much direction, the project leader focuses on motivating the team to produce quality results.

Theory of Constraints Knowledge

Further, according to Mackey (2005), the Theory of Constraints Knowledge a constraint is anything that prevents the system from achieving its goals. This is a management paradigm that views any manageable system as being limited in achieving more of its goals by very small number of constraints. According to Eliyahu (2013), in order to ensure that the main goal of a project is achieved, various stages have to be followed. They include identification of constraints, exploring the constraints, channel resources to the constraints and finally make changes to increase constraints capacity. Eliyahu (2013) further observes that buffers should be placed before the governing constraints, thus ensuring that the constrained is never strained.

Complexity Theory

This study was therefore guided by complexity theory since it offers more strengths than weaknesses in project implementation based on available literature. Complexity theory evolved from chaos theory and works on the notion that a system should not be broken down into fundamental parts to understand the whole system. The theory states that critically interactive components self-organize to form potentially evolving structures exhibiting a hierarchy of emergent system properties (Rist, Boily, & Martin, 2011). The theory acknowledges that humans by nature when living or working together are an open system. The theory differs with other traditional approaches in that it acknowledges that there are parts of the system that cannot be explained but acknowledges that there is normalcy in the randomness. Complexity theory accepts that there are simply unknowns when handling projects and the best manner to handle these would be to have a flexible process rather than a rigid contingency (Weiss, 2000). The theory further adds that too many individuals believe that certain systems are predictable and can be modeled mathematically thus becoming a major stumbling block towards the acceptance of complexity theory.

Conceptual Framework

The framework adopted by these study views performance indicators (Management support, organization capacity Baseline survey), learning capacity(Team learning, Shared vision) participatory tracking(Institutional capacity, Time, Other stakeholders) and beneficiary accountability(Feedback levels, Relationship **)** as critically influencing project implementation. The framework further identifies moderating variables (Disbursements and Funding) that may influence project implementation.

Independent Variable (IV) **Moderating Variable** **Dependent Variable (DV)**

Figure 2.1: Conceptual Framework Linking Independent and Dependent Variables Monitoring and Evaluation Practices
Source: Researcher, 2017

The framework depicts the relationships between monitoring and evaluation framework and project implementation success. It conceptualizes that performance indicators, learning and adaptive capacity, participatory tracking and beneficiary accountability will influence project implementation. Disbursement and funding is a mediating variable in the relationship between monitoring and evaluation and the project success. According to Pequegnat et' al (1995) a mediating variable is the intervening variable that must change in order to see change in the dependent variable. On the other hand the moderating variable tends to interact in some fashion to alter the relationship between the dependent and the independent variable. Normally the mediating variable changes while the moderating variable does not. In some instances it is the one targeted for change in the intervention.

RESEARCH METHODOLOGY

The research adopted a descriptive survey design. This study adhered to the foregoing beliefs and practices, it would be appropriate to assert that a predominantly positivist framework was followed

The Study Area

The study was conducted in Machakos and Embu County

Target Population

The target population is that which researcher wants to generalize the results of the study (Mugenda & Mugenda, 2003). The target population of this study was 132 county government officials from all the 2 counties in Kenya..

Sample Size and Sampling Technique

Stratified random sampling was used to group the respondents and select the respondents from the different stratum.

Table 3.1 Sample Size and Sampling Procedure

County	Category	Population	Sample size
Machakos	Top management	3	2
	Mid-level management	12	9
	Technical managers	32	24
	Lower level management	28	21
Embu	Top management	3	2
	Mid-level management	7	5
	Technical managers	29	22
	Lower level management	19	14
Total		**132**	**99**

Source: Research data, 2017

Data Collection Procedures

Questionnaires was designed and distributed to the respondents and given time frame enough to collect back completed questionnaires

Data Collection Instruments

The instruments that were used in collecting primary data are questionnaires and interview schedule. The questionnaires covered areas of study objectives and the conceptual framework.

Data Analysis and presentation

The research findings were subjected to regression and correlation analysis to establish the effect and relationship between the independent and dependent variables using a multiple regression model.

DATA ANALYSIS, PRESENTATION AND DISCUSSION

Table 1: Multiple Linear Regression Analysis Model Summary

Model	R	R Squared	Adjusted R Square	Std of Error Estimate
1	0.720^{α}	0.518	0.514	0.54947

Source: Research data, 2018

Results displayed in Table 1 from regression analysis which was used to produce a best fit line to predict independent variables from the dependent variable determined how the independent variables influenced the dependent variable, to what extent each independent variable affected the dependent variable and which of those factors were more significant. The results obtained show the adjusted r square value of r^2 = .518 which indicate that when all the variables are combined, the multiple linear regression model could explain for approximately 52% of the variation in the dependent variable by the variation in the independent variables on Implementation of County Projects. The results from the Coefficient of Determination shows a significant relationship (p = 0.000) in all the variables.

Table 2: Correlation Results of effect of the monitoring and evaluation frameworks

		Result based performance	**Learning capacity**	**Participatory tracking**	**Beneficiary accountability**	**Implementation of projects**
Result based performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	79				
Learning capacity	Pearson Correlation	.173**	1			
	Sig. (2-tailed)	.000				
	N	79	79			
Participatory tracking	Pearson Correlation	.479**	.172**	1		
	Sig. (2-tailed)	.000	.000		.	
	N	79	79	79		
Beneficiary accountability	Pearson Correlation	.515**	.517*	.471**	1	
	Sig. (2-tailed)	.000	.011	.000		
	N	79	79	79	79	1
Implementation of projects	Pearson Correlation	.718**	.676**	.771**	.544**	.524
	Sig. (2-tailed)	.000	.011	.000	.000	0.001
	N	79	79	79	79	79

*. Correlation is significant at the 0.05 level (2-tailed).
Source: Research Data, 2017

The correlation summary table indicates a strong and significant association between the independent and dependent variable. From the correlation results, it was found that the result based performance (r =0.718, α = 0.01), learning capacity (r =0.676, α = 0.01), Participatory tracking (r =0.771, α = 0.01), Beneficiary accountability (r =0.544, α = 0.01), had a significant positive effect on implementation of development projects

The correlation between the independent and dependent variables indicated presence of moderately strong correlation. The results displayed in Table 2 indicate that participatory tracking exhibited the strongest association with implementation of development projects followed by result based performance, learning capacity and Beneficiary accountability.

Table 3: Coefficient of Determination

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	.435	.167		2.608	.009		
	Result based performance	.529	.043	.505	5.334	.000	.0702	1.425
	Learning capacity	.680	.041	.693	4.440	.000	.0551	1.815
1	**Participatory tracking**	.455	.043	.457	10.694	.000	.0569	1.759
	Beneficiary accountability	.432	.322	.421	9.564	0.002	0.433	1.654

a. Dependent Variable: Implementation of County Projects
b.

Information in Table 3 indicates the prediction equation is implementation of county projects = .435 + .529 (result based performance) +.680 (learning capacity) + .455 (Participatory tracking) + .432 (beneficiary accountability). The standard error was (0.167), being an estimate of the standard deviation of the coefficient, is a random variable with a mean of zero and which captured the variables that could not be quantified. If a coefficient is large compared to its standard error, then it is probably different from 0.

The independent variable which was most important in the implementation of county projects was also determined. This was obtained by the beta value whereupon the results identified learning capacity as the most important variable of the study followed by result based performance, Participatory tracking and lastly beneficiary accountability in that order. Table 3 shows the beta value for these variables .505, .693, 0.457 and .421 which indicate that dependent variables would change by a corresponding number of standard deviation when the respective independent variable changed by one standard deviation.

The VIF value for all the independent variables were lesser than 10, and the Tolerance was also less than 0.1, thus there were no concerns over multi-collinearity. This led to the conclusion that learning capacity, Participatory tracking, and result based performance and beneficiary accountability were all important factors in the implementation of county projects

Analysis of Variance (ANOVA)
The statistical method of testing the null proposition such that the means of several populations are equal is called the analysis of variance (ANOVA) (Burns & Burns, 2008:289). The testing of two independent variables calls for the introduction of ANOVA and is used to test the main and interaction effects of categorical variables on a continuous dependent variable, controlling for the

effects of selected other continuous variables which co-vary with the dependent (Cooper & Schindler, 2006:493). ANOVA is a versatile statistic which tests for the significant differences between two or more groups of means and additionally breaks down the variability of a set of data into its component sources of variation. ANOVA is carried out in order to provide a more in-depth analysis of the data. As with correlations, some of the study's propositions are built on the significant differences between variables and factors. ANOVA is therefore used to prove or disprove the last three hypotheses of the study.

The ANOVA results for regression coefficients on Table 4.36 show the significance of the F statistics is 0.000 which is less than 0.05. This implies that there was a significant relationship between the learning capacity, Participatory tracking, and result based performance and beneficiary accountability and the implementation of county projects

Discussion of findings

4.9.1. Discussions of findings on effect of results based performance and implementation of development projects

The stated null Hypothesis 1 was H0: There is no significant influence in results based performance and implementation of development projects. The specific dimensions considered by the study were: management support, organisational capacity and baseline data. The correaltion analysis on Table (4.19) validates a positive and linear relationship between results based performance and implementation of county projects.

4.9.2. Discussion of findings on effect of learning capacity and implementation of development projects

The stated null Hypothesis 2 was H2: There is no significant influence in learning capacity and implementation of development projects. The specific dimensions considered by the study were: accountability, team learning and shared vision. The correlation analysis on Table (4.19) validates a positive and linear relationship between learning capacity and implementation of development projects. The findings indicate that the respondents agreed that learning capacity has a significant effect on implementation of development projects thus leaders need to employ operational mindset in order to enhance service delivery.

4.9.3. Discussion of findings on effect of participatory tracking and implementation of development projects.

The stated null Hypothesis 3 was H3: There is no significant influence in participatory tracking and implementation of development projects. The specific dimensions considered by the study were: institutional capacity, time and stakeholder. The correlation analysis on Table (4.19) validates a positive and linear relationship between participatory tracking and implementation of development projects.

4.9.4. Discussion of findings on effect of Change consciousness on Service Delivery

The stated null Hypothesis 4 was $\mathbf{H_{04:}}$ There is no significant influence in Beneficiary accountability on implementation of development projects. The specific dimensions considered by the study were: feedback and relationships. The correlation analysis on Table (4.19) confirms a positive and linear relationship between Beneficiary accountability on implementation of development projects.

Conclusions

The study can conclude that Monitoring and evaluation is a key activity in the project implementation success cycle. Monitoring enables the project team to track the performance of a project on a continuous basis so as to ensure that it is implemented as planned. Evaluation allows the project team to determine the effectiveness of the projects in view of achieving pre-established targets. It also concludes that official in the county governments only participate in processes that are beneficial to them and in instances where the benefits outweigh the costs that are entailed. The benefits include networking opportunities, access to information and resources, personal recognition, skill enhancement and a sense of contribution and helpfulness in solving community problems. On the contrary the costs they would be required to incur would include contribution of time required plus the skills and resources. Thus a balance needs to be made so that any effort towards community participation in local governance has a net benefit for participants. (Drunker, 2005).

Recommendations for policy

In light of the major findings of this study, the following recommendations are proposed: Community participation is an important aspect of the vision 2030, because, the critical cornerstones of the social and economic pillars is devolution. It is anticipated that policy-making, public resource management and revenue sharing and as especially as devolved funds become key drivers of development communities will need to be actively engaged so that there is better targeting of resources. In addition to this, there is also a need for a deepened and enhanced consultation and information sharing process in the budgeting, implementation and monitoring and evaluation aspects in development projects. Developing mechanisms for participation, which also entail real citizen participation, should be encouraged at the smallest unit of the devolved governance similar to the "barazas" of the former Provincial Administration.(Ebel, D., & Serdar ,Y. (2002).Funds for carrying out M&E activities should be adequate, well budgeted and disbursed as planned. Findings also showed that project stakeholders are not known and documented. They are also not involved in M&E activities. It is therefore recommended that stakeholders should participate in M&E activities to an agreed extent by the project managers

5.5 Suggested areas for further study

The study investigated influence of result based performance, learning capacity, participatory tracking, beneficiary accountability the moderating effect of national government funding and disbursement on the implementation of development projects. The concept of devolution being relatively new in Kenya has brought with it immense challenges on utilization of resources at the county level. Other factors e.g work environment, employees' competency, use of technology and existing project policies can be investigated to show how implementation of development projects can be enhanced. Other studies on how can the county governments can enhance their revenue collection in order to implement of development projects can be carried out

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Effect Of Firms' Capital Structure On Financial Performance: Evidence From Nigerian Listed Consumer Goods Industries.

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Abstract
This paper assessed the effect of firms' capital structure on financial performance of Nigerian listed consumer goods industries. The study utilised secondary data gathered from the published annual report and accounts of fourteen (14) sampled consumer goods industries for the period of 6 years from 2011 to 2016, selected according to their data availability and time constrain from seventeen (17) industries that are operating on the floor of Nigerian Stock Exchange as at December, 2016. The study make used of panel data regression analysis using STATA 14.0. Based on the results from the analysis, it was found out that there is a positive and significant relationship between the dependent and the independent variables. This mean that a reasonable combination of debt and equity share capital enables Nigerian consumer goods industries to increase their financial performance. It was therefore recommends that, debt should be use by the companies only to the point where its benefit should not exceeds to total cost. The debt should be long-term in nature. Moreover, government should try as much as possible to reduce the cost of borrowing to enable firm's achieve a reasonable combination of debt into their capital structure and enjoy the relative tax savings advantage of the debt.

Key Words: Capital Structure, Financial performance, Consumers goods and Nigeria Stock exchange.

Introduction

One of the most important aspects of financial management is the choice of methods of financing company's assets. Companies use a variety of sources of finance with the aim of achieving an efficient capital structure that provides a good mixture of long-term source of financing it capital investment (Rouf, 2015). Available long-term sources of finance to a company include share equity, loan notes, debentures and preference shares (Watson and Head, 2013). Salawu (2007) stated that financial liberalization of 1987 in Nigeria has given managers of firms various options of utilizing retained earnings, issue new shares or borrow through debt instruments in the capital market with the view to maximising firms' value. These necessitate a rational choice by firm's managers of possible combination which will help in maximising firm's value and its shareholders' wealth (Salim and Yadav, 2012).

Capital structure (financial leverage) has been defined by different authors at different times. Kurfi (2003) viewed it as a proportional relationship between debt and equity. To Akinsulire (2006), it refered to how a company finances its operations and this is usually made up of ordinary share capital, preference share capital and debt capital. However, Mireku, Mensah and Ogoe (2014) sees capital structure as an organization's financing structure which continue to engaged the attention of researchers in the field of accounting and finance; with strongly emphasises of fulfilling the expectations of company stakeholders.

Capital structure hypothesis of 1958 propounded by Modigliani and Miller (MM) encouraged researchers and practitioners to determine what really influences financing decisions of firms (Varun,2014; Arnold, 2013). They argued that, perfect market is characterised with free and perfect information to all participant, free taxes andtransaction cost which altogether do not influence firm's value determination.Management should not be concerned about the proportion of debt and equity that will form part of their capital (Hossain and Nguyen, 2016; Varun,2014; Arnold, 2013), although, MM assumptions do not hold true in the real world (Watson and Head, 2013; Salim and Yadav, 2012).

Whereas for over 50 years various capital structure theories have been formulatedemphasising the relevance of optimal capital structure which affect firms' value, despite the peculiar differences. For example, Static trade-off theory states optimal capital structure is higher for companies with higher profits than companies with lower profits due to the tax savings effect and bankruptcy cost. Whilst, Myers in 1984, opposed to the optimal capital structure in the sense, companies with higher profits can rely on retained earnings as a source of finance more than those with lower profits, that is profitability and gearing are negatively correlated.

Moreover, there is an intense argument in relation to the choice of whether to use a market value or financial position value in assessing the financial leverage. Supporters of financial position value presented two explanations. Firstly, firms' managers perceived problems from the position of historical cost as against market value. Secondly, they argue that cost of debt is estimated given the circumstance or vulnerability to insolvency (Mireku, Mensah and Ogoe, 2014). Accordingly, followers of market value position opined that the net worth of a firm is determined considering the prevailing market forces. Although both arguments can be used as a measure of firm's capital structure (Salehi and Biglar, 2009).

Overview of capital structure

Firms' performance can be attributed to a variety of factors of which capital structure form part of the available factors (Salim and Yadav, 2012). Mix results were revealed by various researches in respect of the relationship between capital structure and firm performance, both indicating positive and negative association.

Soumadi and Hayajneh (2012); Rouf (2015); Salim and Yadav (2012) in their study found out that capital structure is negatively associated (statistically) with firm performance on the study sample generally, that is there was no significant difference to the impact of the financial leverage between high financial leverage firms and low financial leverage firms on their performance. one possible reason for their result could be attributed to higher borrowing cost peculiar to developing economies like Jordan, Malaysia and the like (Salim and Yadav, 2012). Moreover, this finding supports the MM position of dividend irrelevant theory.

Chang et. al (2014), study reveals that short-term capital structures decisions are negatively associated with accounting-based firm performance but long-term capital structures decisions are positively related to market-based firm performance. Meanwhile, they opined that taxation does not have any effect on firm performance, despite government deregulation policy. This clearly opposed to the MM second proposition, which they introduced tax savings into their model. Therefore the tax advantage enjoyed by debt finance over equity finance suggests that optimal capital structure exist (Watson and Head, 2013). Hossain and Nguyen (2016) study found that leverage has a strong negative relationship with performance, between 2004 and 2013. These results hold both in univariate and cross-sectional set up even after controlling for firm specific variables.

However, Fosu (2013) documents a contrary result to that of Soumadi and Hayajneh (2012) and Salim and Yadav, (2012). His findings indicates a positive and significant relationship between leverage and firm performance. It was also found that product market competition enhances the performance effect of leverage. The results are robust to alternative measures of competition and leverage.Mireku, Mensah and Ogoe (2014) established that the market value of capital structure has a stronger relation with financial performance as compared to the book value. They however emphases the use of market value of the underlying capital structure as opposed to it book value.

THEORIES OF CAPITAL STRUCTURE

In an effort to choose a particular project financing option prior to MM proposition of using financial leverage to enhance firm's value. A lot of theories documented the relative benefits of leverage amidst the cost of insolvency (Mireku, Mensah and Ogoe, 2014). These include:

Static trade-off theory

Static trade-off theory argues that for each company there is an optimal capital structure, with an optimal level of gearing. That is firms need to trade-off between the benefits of taking on more debt and the costs of higher indebtedness.The benefits of taking on debt (rather than equity) are mainly in the taxrelief that is obtained on debt interest. Modigliani and Miller have arguedthat although the cost of equity rises as gearing increases, the tax relief ondebt means that the company's weighted average cost of capital falls asgearing rises (Watson and Head, 2013). It is therefore beneficial to take in more debt and increasegearing up to the point where the marginal costs of extra debt start toexceed the marginal benefits of extra debt.

The optimal gearing level for a company is reached at a point wherethe marginal benefits of taking on additional debt capitalequals the marginal costs of taking on the extra debt.The optimal gearing level varies between companies, depending on theirprofitability. A very profitable company can take on higher gearing because the marginal costs of insolvency will not become significant until the gearing level reaches the highest possible level.

Pecking order theory

Pecking order theory was put forward by Myers in 1984 as a challenge to static order. He argued that companies should prioritise their source of finance which they use. That is, they are to choose among alternatives financing option based on preferences. Firstly, firms prefer retained earnings, followed by debt capital as the second in the order of priority. The third option should be by new equity capital (an issue of new shares) as the least preferred source of finance for investment.

This means that if a company has an opportunity to invest in a capital project witha positive net present value (NPV), it will prefer to fund the project from retained profits. If it is unableto do this, it will look for debt capital to finance the investment. Only if retainedprofits and debt capital

are unavailable (because cash flows are weak andprofitability is low) will the company consider a new issue of shares.
Companies are likely to choose a long-term dividend policy that will allow them tofinance future investments largely through retained earnings.

Market timing theory
This is a market timing driven theory, it is however based on the available market opportunities within the capital markets. These opportunities occur largely because of information asymmetries. That is company managers have more and better information about the company than shareholders and other investors.
Management should know when the future prospects for the company are better than investors are expecting, and vice versa. Company management might therefore recognise occasions when the company's shares are currently under-valued or over-valued. Taking advantage of opportunities in the market to issue new shares or buy back existing shares affects the gearing level. A company therefore does not have a targeted optimal gearing level. Its financing decisions are determined more by available market opportunity and market timing.

Agency effects on capital structure
Agency theory, which was developed by Jensen and Meckling (1976) can be used to explain the capital structure of a company and its choices of financing for new investment. The theory states that the governance of a company is based on conflicts of interest between the company's owners (shareholders), its managers and major providers of debt finance. Each of these groups has different interests and objectives.
The shareholders want to increase their income and wealth. Their interestis with the returns that the company will provide in the form of dividends,and also in the share appreciation. Thus, the value of their shares depends largely onthe long-term financial prospects for the company. They aretherefore concerned about dividends, but they are even more concernedabout long-term profitability and financial prospects, because these affectthe value of their shares.

The directors and managers are employed to run the company on behalfof the shareholders. However, if the managers do not own shares in thecompany, they have no direct interest in future returns in the value of the shares. Unless they own shares, or unless theirremuneration is linked to profits or share values, their main interests arelikely to be the size of their remuneration package, and other benefits fromtheir job and position such as their status as company managers.

Thus, major debt providers have an interest in sound financialmanagement by the company's managers, so that the company will be ableto pay its debts in full and on time. They will often be concernedthat a company will borrow more because the cost of borrowing is fairly low,and invest the money in high-risk ventures.
In view of these divergent stakeholders preference, their interest can have implications for capital gearing andpreferences for financing method.

Shareholders might prefer debt finance as a new source of funding. Whenmanagers own shares in the company, a new issue of shares might dilutetheir interest in the company's equity, and other shareholders might prevent this from happening. Borrowing to finance growth rather thanrelying on equity also reduces the amount of free cash for managers tospend on personal interests and benefits. Providers of debt capital might be worried by the fact that debt capital givesshareholders an incentive to invest in high-risk projects. They mighttherefore oppose new borrowing by a company when they think that thiswill put their interest at risk.

Jensen and Meckling argued that the 'optimal' capital structure for a company isobtained by trading off not just the marginal benefits and marginal costs of extradebt (as suggested by static trade-off theory) but also by trading off the 'agencycosts' of additional debt and the 'agency costs' of additional equity.

HYPOTHESES

From the review of existing and relevant research on this topic, the following hypotheses were formulated:

1. There is significant relationship between capital structure and return on common equity.
2. There is significant relationship between capital structure and return on capital.
3. There is significant relationship between capital structure and operating margin.
4. There is significant relationship between capital structure and price to book value.
5. There is significant relationship between capital structure and enterprise value.
6. There is significant relationship between capital structure and net debt to EBITDA.

METHODOLOGY

The aim of this study as mentioned earlier is to examine the effects of capital structure on financial performance of listed consumer goods industry in Nigeria. The study utilises secondary data extracted from the annual reports and accounts of the fourteen (14) sampled consumer goods industry. The sampled companies were selected based on data availability. This study covers the period of six (6) years, from 2011 to 2016. Panel data regression analysis was employed to determine the link between the study variables. Panel regression model is considered to be more appropriate because the data of this study are cross sectional over several time periods (Sani and Chabbal, 2017). The sampled firms are:

Table1: Sampled Consumer Goods Industries

S/N	COMPANY NAME	YEAR OF INCORPORATION	YEAR OF LISTING
1	7 UP	1959	1986
2	CADBURY	1965	NA
3	CHAMPION BREW	1974	1983
4	DANSUGAR	2005	2007
5	DUNLOP	1961	NA
6	FLOUR MILLS	1960	1979
7	GIUNESS	1950	1965
8	INTER BREW	1971	NA
9	NASCON	1973	1992
10	NESTLE	1969	1979
11	NORTHERN NIG FLOUR	1971	NA
12	PZ	1948	NA
13	UNILEVER	1923	1973
14	VITA FORM	1962	NA

Source: www.nse.ng.gov
*NA = Not Available

The panel regression function below is employed to determine relationship between the dependent and independent variables as used by Abor (2007) with some modifications.

$FFP_{i,t}= \beta_0 + \beta_1 ROCEi_{,t} + \beta_2 ROC_{i,t} + \beta_3 OM_{i,t} + \beta_4 EPS_{i,t} + \beta_5 PBV_{it} + \beta_6 CETASSETS_{it} \beta_7 DY + \beta_8 EVEBITDA_{it} + \beta_9 LOGEV_{,it} + \beta_{10} NDEBT_{it} + \beta_{11} TDTA_{it} + \beta_{12}\ LTASSSETS_{it} + e_{it}$…………….. (1)

Where: FFP means financial performance, ROCE, ROC, OM, EPS, PBV, CETASSETS, DY, EVEBITDA, LOGEV, NDEBT, TDTA andLTASSETSrepresent return on common equity, return on capital, operating margin, earnings pr share, price to book value, common equity to total assets, dividend yield, enterprise value to EBITDA, logarithm of enterprise value, net debt, total debt to total assets and log of total assets (control variables) respectively.

While the symbol “e” denotes error term which is the white noise process and the subscripts ‘it” indicates entity over time.

RESULTS AND DISCUSSION

Table 2: Descriptive statistics

		obs	mean	std. dev.	min	max
roce		90	25.51322	25.4292	-37.91	99.96
roc		90	18.53089	19.7902	-37.91	72.1
om		90	9.072111	18.8826	-82.79	35.22
eps		90	18.14289	21.0107	-77.07	68.12
pbv		90	8.233111	32.1881	-15.65	304.2
cetassets		90	28.654	34.6342	-124.1	68.95
dy		90	6.490667	11.123	0	55.88
evebitda		90	35.415	177.413	2.11	1651
logev		90	4.683778	0.78103	3.19	6.14
ndebt		90	386.835	3475.44	-98.27	32984
tdta		90	20.22589	26.1254	0	124.8
ltassets			4.469444	0.58336	3.37	5.54

Source: Generated by the researcher using Stata 14.0

The descriptive statistics from table 2 above shows that performance ratios measured by Return on capital employed (ROCE)Return on Equity (ROC), Operating margin (OM), Earnings per share (EPS), total debt to total assets , Price to book value and Dividend yield 26%, 18%, 9%, 18%, 20%, 8 times and 6.5 % respectively.

Averagely, CETASSETS OF 29%, EVEBITDA of 35% and NDEBT of 387% are on the high side looking at the total debt to total assets of 20.23 times. This suggests that Nigerian consumer goods industries are able to utilize their capital effectively by increasing financial performance and shareholders' value. However, the financial performance and the values creation they make might possibly not translated into high profits due to operational lapses resulting in high operational cost. Looking at the figures closely, it can be deduced that either the market performance of the share prices has been good leading to increase in value of the equity of the sampled companies or some of the companies have experience losses leading to a reduction in the book value of equity capital.

Table 3: Regression results

		1		2		3	
VARIABLES		OLS	t	RANDOM EFFECT	t	ROBUST	z
roc		0.84736	6.88	0.7260435	6.79	0.52335	2.6
om		0.26785	1.63	0.3055703	1.93	0.11066	0.45
eps		-0.011	-0.10	-0.0414712	-0.44	-0.0712	-0.86
pbv		-0.0365	-0.61	-0.0406528	-0.86	-0.0241	-0.89
cetassets		-0.0814	-1.21	-0.0735924	-1.09	0.06882	0.94
dy		-0.2288	-1.45	-0.1777484	-0.75	-0.0891	-0.19
evebitda		0.00067	0.08	0.0016379	0.24	0.00214	1.03
logev		14.5725	2.58	2.746495	0.49	-8.4423	-0.92
ndebt		-0.0001	-0.21	8.58E-06	0.02	-0.0002	-1.18
tdta		0.08401	1.19	0.0040327	0.06	-0.0482	-0.87
ltassets		-15.213	-2.30	-1.353115	-0.20	-7.0718	-1
_cons		9.7561	0.70	6.677161	0.34	87.049	1.38
sigma_u				8.4768017		22.199	
sigma_e				9.5384958		9.5385	
rho				0.44127105		0.84415	
R^2		0.7281		0.7987		0.1366	

Source: Generated by the researcher using Stata 14.0

In table above, panel regression result taken from the sampled consumer goods industries was provided. The regression was carry out based on ordinary least square (OLS), random effect regression (RE) and robust regression (RR).

Building on the findings of Chang et al (2014), it was decided to that OLS and RE models are the preferred models to report on, given both have 73%, 80% and 8 and 9 times R^2 and sigma u, e, rho compared with RR model which have only 14%. This indicates the level of significance of the two models, although the RR sigma's shows promising outcomes.

The research findings reveal positive correlatedcoefficient of return on capital and operating margin with increase financial performance of consumer goods industries in Nigeria. This is because the t-scores for total debt to total assets, net debt, enterprise value and enterprise value to EBITDA all shows positive. Thus, except for the borrowing cost which might be higher for some companies due to the size, using long-term debt as a source of financing capital project will increase companies' financial performance. Hence, there is a need to strike a balance between the amounts of debt which the companies should incorporate into their capital structure. This will helps them not to distract the tax benefit on borrowing cost with extra charges from the debt providers as a result of exposing them to additional risk of insolvent.

In view the results of the study Nigerian consumer goods industries should try as much as possible to not to substitute long-term debt financing with short-term debt financing. This is because the short-term debt financing carries higher costs and are not positively linked to increasing financial performance and shareholders' value (Mireku, Mensah and Ogoe, 2014). To help the industries achieve this strategy, there is need for the Central Bank to reduce borrowing cost on long-term debt to an acceptable level, thereby making the industries finance their expansion with reasonable cost. Government should ensure a sound capital market to industries access log-term debt on timely basis.

Conclusion and Recommendation

This paper examined the empirical relationship between capital structure and financial performance of listed consumer goods industries in Nigeria using panel data regression analysis. It covers the period of six (6) years from 2011 to 2016. The paper was a follow up of MM, Myers and Jensen and Meckling capital structure theories. The study was considered important given the tax savings benefit that accrues to firms from using debt financing into their capital structure (Watson and Head, 2013). The findings of this study suggest that using debt finance increase firm's financial performance, looking at the performance measures considered by the study. Therefore, it was recommends that debt should be use by the companies only to the point where its benefit should not exceeds to total cost. The debt should be long-term in nature. Moreover, government should try as much as possible to reduce the cost of borrowing to enable firm's achieve a reasonable combination of debt into their capital structure and enjoy the relative tax savings advantage of the debt.

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