The Effect of Resource Allocation on Service Delivery in County Governments in North Rift, Kenya

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Abstract

This study aims to analyze the effect of resource allocation on service delivery in county governments in North Rift, Kenya. The key function of the government is to delivery service to its citizen. County governments in Kenya are perceived as best placed to deliver services to the citizens at the local level. However gaps exist in the service delivery where citizens have expressed dissatisfaction with the services provided. This study seeks to explore the effect of resource allocation on service delivery in county governments. The study adopted a quantitative survey design where data was collected using self administered questionnaires and analyzed by correlation and regression analysis. The study revealed there is a moderate positive correlation between resource allocation and service delivery. It also revealed that resource allocation had a statistically significant effect on service delivery in county governments in North Rift, Kenya.

Keywords: Resource allocation, Strategy implementation, Service delivery.

1. Introduction

According to the World Bank (2012), devolved system of government has been practiced in many countries in the world. This system of government is seen as a guarantee against the discretionary use of power and resources by the central government leaders and also as a way of ensuring efficient service provision to the citizens. Many countries have used devolution to address service delivery challenges faced by the citizens at the local level of society.

The central government in Turkey has attempted to address the challenges and inefficiencies in the design of public policy, service delivery and misalocation of resources by bringing together key actors from within and outside the government in order to support the reforms. This led to implementation of performance management initiatives that have resulted in a more efficient public sector. (Andrews, Beyon and Genc, 2017).

In Rwanda, decentralization has been made key policy of the government that seeks to ensure equitable political, economic and social development throughout the country and act as a cornerstone of the fight against poverty by increasing participation in planning and management of development process. (Republic of Rwanda, 2010).

Service delivery is a key responsibility of the government towards its citizens. The Kenyan constitution has given the county governments the responsibility of delivering service such as health, water, sanitation, education and road maintenance.

According to the Kenyan constitution 2010, devolution is considered the main mechanism to promote good governance, encourage local development and to bring services closer to the citizens (RoK, 2010). The first objective of devolution is to bring services closer to the people. Functions such as health, agriculture trade and development have been devolved, in the process these services have been brought closer to the people.

According to Bryson (2004), some organizations may not gain benefits of strategic plans such as achieving better performance because they lack the required resources and at times half-heartedly implement their strategies. If organizations do not invest in the process of strategic planning and implementation, the expected benefits may not be achieved.

Though previous studies have attempted to address issues related to this study the researcher notes that the there are gaps in literature that need to be addressed. Kemboi (2011) in a study on the role of strategic management in organization's resource allocation addressed the issue of resource allocation in institutions. The study however focused on Kenya Pipeline hence a case study which made it limited in scope. The study also

focused on strategic management as independent variable compared to strategy implementation in this study. Moindi (2014) conducted a study on strategies of resource allocation in devolved system of government. The study sought to evaluate allocation strategies that were adopted in devolved governments. Though the study sought dealt with resource allocation it differed from the current study in the variables used.

Statement of the Research Problem

According to the County Governments' Act 2012, County governments are supposed to develop strategic plans one of which is the County Integrated Development Plan (CIDP) which is the overall strategy for the county. It is anticipated that with successful implementation of strategic plans service delivery would be efficient. However, implementation of CIDP has been a challenge to many counties in Kenya (Abass, Munga and Were, 2017). Bryson (2004) assert that many organizations fail to gain the benefits of strategic plans due to lack of adequate resources.

County governments have experienced challenges in relation to service delivery such as inadequate allocation of resources to meet the needs of critical service delivery areas such as health, roads and water and sanitation. According to the Fourth Devolution Conference report 2017, 30 % of the county governments' resources that are received from the National Government are allocated to development which is not enough to meet the service delivery needs of the citizens (CoG, 2017). Counties also have a challenge on the amount the amount of revenues collected. According to the council of Governors, the revenue collected by the counties is less than the resources required (CoG, 2018). According to the Controller of Budget, County governments spent 58.4 % of the total revenues on personnel contrary to the provisions of the Public Finance Management regulations that require that county governments to keep their spending on personnel to with 35 % of the total county revenues (ROK, 2019).

Though previous studies have been conducted on resource allocation they focused on other areas from the current study. Moindi (2014) conducted a study on strategies of resource allocation in devolved system of government. The study sought to evaluate allocation strategies that were adopted in devolved governments. Kemboi (2011) in a study on the role of strategic management in organization's resource allocation addressed the issue of resource allocation in institutions. These studies contradicted Abass *et al* (2017) who found that resource allocation had no significant effect on performance. The current study focuses on effect of resource allocation on service delivery in county governments in Kenya.

2. Literature Review

Resource Based Theory

Resource based theory is based on the assumption that the major success factor of an organization is its resources and the skills of its employees. These resources enable the organization to seize opportunities in its environment and also evade risks and in the process evade risks hence gaining competitive advantage. According to the theory an organization is perceived as a collection of resources which can be tangible such as physical assets or intangible.

According to Madhani (2010) resources of an organization are valuable, rare, imperfectly substitutable and imperfectly imitable. These resources serve as a source of competitive advantage. The organization's resources are its assets and strengths such as knowledge and skills or even organizational processes that enable the organization to perform its activities efficiently (Robinson, 2008).

Resources are seen as the ultimate source of competitive advantage. According to RBV, a resource that affords competitive advantage must meet 'VRIN' criteria. Value (V), the resource should provide strategic value to the organization; Rare (R), it should be rare and not readily available; imperfectly imitable (I), copying is not feasible and Non substitutable (N), cannot be substituted easily (Madhani, 2010).

This theory is relevant for the study because resources held by the county government must be cultivated so as to provide competitive advantage. The culture of the county government constitutes the way things are done within the organization. A culture that supports the strategy implementation is a source of competitive advantage that helps the county government to effectively delivery services to its citizens. Motilewa, Mayowa and Adeniji (2015) assert that the success of the organization is dependent on its culture. This entails the core values of the organization and the way things are done within the organization. The unique nature of conducting operations gives the organization a competitive advantage that competitors will find it difficult to imitate.

The organizational structure determines the flow of information, the allocation of roles and responsibility and controls the allocation of resources (Siapei, 2015). The organizational structure of the county government and the unique skill and capabilities held by them individuals in various positions in the organization are a source of competitive advantage. The county government should perceive its culture and organizational structure as intangible resources that should be natured so as to ensure that the organization provides services effectively to its citizens.

Entrepreneurial orientation of the organization constitutes the posture adopted by the organization which includes pro-activeness, innovation and risk taking

(Covin & Slevin, 2011). The organizational orientation of the county government is a resource that can afford the county a competitive advantage. A county government with a proactive entrepreneurial orientation combined with a supportive culture and organizational structure with strategic and prudent use of resources can result in unique competences that enable the county government to provide services effectively and efficiently to its citizens. Such a county will be having competitive advantage when compared to others.

Resource Allocation and Service Delivery

Resources whether they are human resources, financial or in form of equipment are a requirement for successful implementation of the strategic plan. Successful strategy implementation requires the availability of adequate resources. A lack of any of the resources acts as a hindrance to strategy implementation efforts. (Kihara *et al*, 2016). A study by Shithole, Chirasha and Tatire (2013) found out that the failure of the county governments to adopt the use of technology was slowing down the implementation. The use of technology in particular computers makes the work in the counties easier.

Moindi (2014) observed that resource allocation is based on the nature of work and the work flow of the application. The amount of resources required is determined by the workflow representation of its application. The nature of work being financed and the complexity of the service being provided should determine the amount of resources provided. Due to the dynamic nature of availability and demand for resources there is need for the communication between those who allocate resources and the consumers of the resources so as to ensure that there is no under allocation or over allocation of resources.

In a study on resource allocation strategies in devolved system of governance in selected counties in Kenya, Moindi (2014) assert that resource allocation should be based on client needs on merit and equity. The study used made use of descriptive survey design and covered five counties namely, Nairobi, Machakos, Kiambu, Kajiado and Nakuru. The sample size of the study was 90 respondents. The study revealed that allocation of resources was based on the needs and therefore maximized efficiency. The study also showed that county governments allocated resources based on strategies in place and government policy.

Mohammed (2018) in a study on resource allocation in county governments observed that the county governments experienced challenges in allocation of resources due delay in release of funds by the National treasury. It is difficult to ensure proper allocation when the resources are not availed as expected. The national governments should increase allocation of funds for county governments to enable them to efficiently meet their needs. This is because resources allocated by the national government are not adequate.

The study revealed that, county governments do not have policy on resource allocation to support devolved function. It also revealed that some sectors especially agriculture and water provision received consistent allocation compared to other sectors. The study adopted a mixed design focusing on secondary data from reports from the controller of budget, the treasury and commission of revenue allocation.

Onserio (2018) in a study on strategy implementation and organizational performance observed that resource allocation is a key activity that has an effect on achievement of organizational objectives. The study focused on the effect of resource allocation, leadership, communication and monitoring and control on performance in institutions of higher learning. It adopted a descriptive design where data was collected using questionnaires from a sample of 174 respondents. The study revealed that strategic leadership did not affect performance while resource allocation had a significant effect on performance.

Kemboi (2011) in a study on the role of strategic management in organizations' resource allocation observed that the allocation of resources is a key factor in the performance of the organization. The study revealed that resource allocation in the organization is determined by the strategic plan. The objectives of the organization as set out in the strategic plan determine the resource allocation process. The study also revealed that allocation was done according to the needs of the various departments in the organization. The study used a case study design focusing on Kenya Pipeline Company. It used a sample size of 10n respondents and data was collected using an interview guide and analyzed by using descriptive statistics.

Mogale (2003) observed that for Local governments to meet their developmental requirement and improve service delivery there is need for extensive resource acquisition in the form of financial and human resources. The author emphasized the importance of adoption of key enabling legislative measures that are essential to realize the objectives.

In county governments the availability of resources is a challenge. The allocation of funds from the national government is supposed to be supplemented by the resources mobilized by the county government from its own sources such as taxes and revenues. However, majority of the county governments in Kenya experience challenges in taxes collection and revenue generation (Biwott, 2017). This leaves most counties in a state where they cannot effectively implement their CIDPs. Biwot (2017) conducted a study on revenue mobilization and their influence on county socio-economic development. The study sought to analyze the effect of revenue mobilization infrastructure and the challenges faced by county governments in revenue mobilization. The study was conducted using descriptive survey design with a sample size of 321 respondents who were selected using stratified sampling. The data was collected using

questionnaires and interview schedules. Data analysis was conducted through descriptive and inferential statistics. The study found that there was a significant relationship between revenue mobilization approaches such as business licenses, loans and parking fees and county development. It also revealed that revenue mobilization infrastructure had a significant positive effect on development at the counties.

3. Research Methodology

The study adopted a survey design using methodological triangulation where both qualitative and quantitative approaches were adopted. This enabled the researcher to check the results obtained using different methods and thus present a clearer view of the effect of resource allocation on service delivery in county governments. Data was collected using questionnaires from a sample that was drawn from 333 employees of the county governments involved in implementation of the county governments' strategic plan. The data was then analyzed using regression and correlation analysis.

4. Results

Correlation Analysis

Correlation analysis measures the direction and strength of relationship between two variables. The correlation coefficient shows the degree to which one variable changes with the change in the other variable. Correlation analysis was therefore carried out for all the constructs of strategy implementation and service delivery.

Table 4. 23 Correlations between Resource allocation and service delivery

		Resource Allocation	Service Delivery
Resource Allocation	Pearson Correlation	1	.591**
	Sig. (2-tailed)		.000
	N	156	156
Service Delivery	Pearson Correlation	.591**	1
	Sig. (2-tailed)	.000	
	N	156	156

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Field data (2019)

The results in the table 4.23 above shows that the Pearson correlation coefficient, (r) for resource allocation and service delivery is + 0.591. According to Cohen, Manion and Morrison (2007) r >0 + or – 0.1 is considered weak; r >0 + or -0.3 is considered modest; r >0 + or – 0.5 is considered moderate; r >0 + or – 0.8 is considered strong while r >0 and ≥ + or - 0.8 is considered very strong. This indicates that there is a moderate positive relationship between resource allocation and service delivery. This indicates that there exists a linear positive relationship between resource allocation and service delivery. This implies that if there is an increase in

resource allocation, the there will be an increase in service delivery. These findings are contrary to the null hypothesis H_{01} which stated that allocation of resources has no significant effect on service delivery in county governments in Kenya. Therefore we should reject the null hypothesis.

These findings are supported by Moindi (2014) who assert that resource allocation is intended to optimize the county government's objectives and meet its development objectives. They are also in agreement with the findings of Lemarleni, Ochieng, Gakobo and Mwaura (2017) where they found that there is a significant positive relationship between resource allocation and implementation of strategy. In county governments the main objective is to deliver services to the citizens.

Resource Allocation and Service Delivery

Table 4.31 Resource Allocation and Service Delivery Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591ᵃ	.350	.345	.54681

a. Predictors: (Constant), Resource Allocation
Source: Field data (2019)

Table 4.32 ANOVA

ANOVAᵃ						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.750	1	24.750	82.778	.000ᵇ
	Residual	46.046	154	.299		
	Total	70.796	155			

a. Dependent Variable: Service Delivery
b. Predictors: (Constant), Resource Allocation
Source: Field data (2019)

The Analysis of Variance (ANOVA) output showed a significance value of 0.00 which is less than 0.05. This indicates a significant positive relationship between resource allocation and service delivery. The results were also subjected to regression analysis which gave the output as shown in table 4.33 below

Table 4.33 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.556	.241		6.448	.000
	Resource Allocation	.593	.065	.591	9.098	.000

a. Dependent Variable: Service Delivery
Source: Field data (2019)

This indicated that the proposed linear model fits the data well. The summary model for resource allocation was represented as;

H_{01} $Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Where

Y - Service delivery
X_1 – Allocation of Resources
β_0 – Constant
β_1 – Coefficient
ε – Error term

From the results, the constant, β_0 = 1.556 and the coefficient, β_1 =0.593 which indicates that the results fitted in the regression model:

Service delivery = 1.556 + 0.593X_1. This indicates that for every unit increase in resource allocation there will be an increase of 0.593 in service delivery. The t value of 9.098 indicates that resource allocation coefficient is over 9 times the error term associated with it. The constant value of 1.556 indicates that the value of service delivery would still show a positive figure of 1.556 if resource allocation is non-existent. This implies that there are other factors that affect service delivery which include leadership, organizational culture and organizational structure. The correlation R square value of 0.350 indicates that resource allocation explains about 35 % of service delivery, the rest is as a result of other variables.

These findings are consistent with Wambua(2014) who in a study on decentralization and service delivery found that service delivery at the county governments is affected by inadequate allocation of resources. Moindi (2014) asserted that the allocation of resources was done according based on the needs of the people, government strategies and policies. The allocation of resources is intended to meet the specific needs of the citizens. Wagana (2017) concurs with these findings that the allocation of resources at the county government level has a positive effect on service delivery at the local level. However, Abass *et al* (2017) in a study on the relationship between strategy implementation and performance in county governments in Kenya assert that resource availability had no significant effect on performance in county governments.

Conclusion

The study revealed that there is significant effect of resource allocation on service delivery in county governments in Kenya. The findings also revealed that a positive unit increase in resource allocation resulted in an increase in service delivery in county governments. This study therefore concludes that resource allocation has a significant effect on service delivery. Resource allocation was found to be contributing to 35% of service delivery, thus a major factor in explain service delivery.

These findings are in agreement with other empirical studies such as Kemboi (2011) that found out that resource allocation was a major factor in the performance of the organization. The study also confirmed the findings of Onserio (2018) and Mwangi (2015) that resource allocation has a significant effect on performance of organization.

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