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RESEARCH ARTICLE

MISMANAGEMENT OF COUNTY RESOURCES: A CASE OF TRANS NZOIA COUNTY

Rispah Konzolo, John Maside, Andrew Pchumba, David Loesepps, Wanyama Mukubuyi, Patrick Barasa, Patrick Olutwati, Japheth Barsa and Ruth Imbuye
MPA (Masters of Public Administration and Management),
Faculty of Arts and Social Sciences
North Western Christian University America Florida Mount Dora.

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Abstract

The purpose of the study was to investigate mismanagement of county resources in Trans Nzoia County. The objective of the study is to determine the causes of mismanagement of resources for service delivery in Trans Nzoia County, establish the effects of redundancy in growth and development in county government on service delivery. Organization and management theory (Fredrick Taylor, 1961), was applied by researcher. The theory states that resources are to be managed effectively and efficiently. The researcher employed mixed research method that included qualitative and quantitative methods that led to triangulation design. The target population was 3000 people which gave a sample size of 900 people after the application of Greg and Morgan 1979 formula. The researcher employed purposive sampling technique and simple random sampling technique. Data collection was done by use of questionnaires and document analysis. The researcher also applied purposive sampling technique where data was collected from the people who had knowledge on what the researcher was conducting the study on. The researcher conducted a pre test and a post test of the research instruments to establish the validity and reliability of the instrument in the collection of data. Data was collected using questionnaires and document analysis. The findings indicated that the county resources were not well utilized and recommended that the people to handle finances should have the right qualifications and experiences.

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Introduction:-

Financial mismanagement is the process of deliberately or not handling funds in a way that can be characterized as "wrong, bad, careless, inefficient or incompetent" and that reflect negatively upon the financial stand of a business or individual. There are many ways of how financial mismanagement is carried out. For example, the wrong distribution of responsibility, to be remiss with payments, bills and taxes and neglecting responsibility, financial problems and economical standing can cause great financial mismanagement and further on devastate your economy. By looking at various cases where the financial management has gone wrong it can be comprehended that financial mismanagement can have diverse effects in institutional development.

Corresponding Author:- Rispah Konzolo

Address:- MPA (Masters of Public Administration and Management), Faculty of Arts and Social Sciences North Western Christian University America Florida Mount Dora.

Good Financial management has always been the key factor to a successful business, and is crucial for an economy of any country to function in a desirable manner. There are not only companies and individuals that have economies that rely on financial management but also the entire societies and countries. Throughout the years there have been infinite companies, persons and also countries that have been declared bankrupt, caused by financial mismanagement. By taking a look at some of the world's largest economies it can be realized that where the financial management has somehow gone wrong and it can be depicted how severe the effect of financial mismanagement can actually lead out to be. Argentina, with its many natural resources, well-educated workforce and export-oriented agricultural sector is today Latin America's third largest economy, but the Argentine economy has been through quite a few ups and downs. In 2001 this led to a severe recession and ever-increasing poverty. The country's increasing public debt was one of the reasons for the recession.

By the end of 2009 Greece experienced one of the most severe economical collapses in the modern society. The crisis had severe results that resulted in great public poverty. In Athens, 20 per cent of the shops were all of a sudden completely empty and in February 2012 it was reported that 20,000 Greeks, during the proceeding year had been made destitute. By years of unrestrained governmental spending, cheap lending and failing to implement financial reforms, Greece was left badly off when the global economical crisis struck and the country had loans that were completely unable to be repaid. In 2008 the company Lehman Brothers filed for bankruptcy, after being the fourth largest investment bank in the U.S at the time. By lending severe amounts to fund the company's investments for example housing-related assets, made the financial services firm extremely exposed to the financial downturn and subprime crisis.

There are numerous examples of where finances are not managed rightly and where companies, individuals and even countries are liquidated, and even more examples where there has been episodes of financial mismanagement but the situation was still able to be escaped. Looking at Kenya Financial management process in public organizations, it seems that funds are not properly utilized. Constitutionally, public funds available are to be efficiently and effectively put into the required use to the benefit of the citizens (Waddell, 2000).

Statement of the Problem

Since the inauguration of the county governments or decentralization process, county governments seems to be experiencing challenges on service delivery due to lack of policies to control county government resources or policy implementation strategies. Many projects that could have been completed seven years ago are still incomplete and yet funds were availed. This has prompted the researcher to investigate the impact of mismanagement of resources for service delivery in the county government of Trans Nzoia.

Purpose of the Study

The purpose of the study was to investigate the impact of mismanagement of resources for service delivery in Trans Nzoia County.

Objectives of the Study:-

The researcher aimed to:

1. To determine the causes of mismanagement of resources for service delivery in Trans-Nzoia County.
2. To establish the effects of redundancy and growth in county government in Trans-Nzoia
3. To establish the effects of employees' job dissatisfaction in Trans-Nzoia County.

Justification of the Study

Public outcry on quality service delivery is not uncommon in counties more so in Trans Nzoia county. Despite government's input and concerns, service delivery seems to be far below expectation. The county workers seem to be dissatisfied with the way allocation of jobs is professionally distributed. Many employees who are declared redundant are those with required skills to manage development activities. It is for this reason that the study sought to investigate the impact of mismanagement of resources for service delivery.

Significance of the study

1. Generate /unearth knowledge on the management of county resources for service delivery.
2. Policy makers will apply the study in implementing policies on the management of county government resources and service delivery.

3. It will also provide information about the county government to researchers who will use the knowledge in studying the other county government in management of resources.
4. The study will be used by future scholars in informing the government how they can effectively and efficiently manage the county government resources by provision of good service delivery.

Literature Review:-

Theory of scientific management by Fredrick Taylor, (1856- 1915) believed that management is a science that can be taught and stated that there are six businesses activities that can be applied in an organization for performance. The six activities includes: technical, commercial, financial, security, accounting and managerial skills. Good management of resources cannot be realized if the six basic activities are put into considerations.

Workers are to be productive if the working conditions given to them suit their academic qualifications as stated by Taylor. Division of labour is also one of the most important elements that is to be addressed in scientific theory of management. Division of work and specialization, standard working conditions, controlling of work, subordination, equity of work, unity of communication, authority and discipline are the best principles that most organization are to be adopted under a manager's supervision to avoid conflicts. The management wields enough power to ensure that the success of the system through an orderly and disciplined system of management. Henry Fayol divided the managerial activities into five areas that include; planning, organizing, commanding, coordinating and controlling. This meant that if an organization is not planned well, organized well and activities are not well coordinated and controlled there will be a problem hence, organizational anarchy inhibiting achievable goals. Any organization that wishes to be efficient and achieve its objectives should therefore apply the principles of scientific management as argued by Fredrick Taylor. This would avoid workers declared redundant thus, they should include division of work, Authority, Discipline, Unity of command, Unity of direction, and remuneration which should be followed to motivate and be fair to employees. Hierarchal structures should be followed to the latter. Fayol believed in centralized, hierarchical model of organization relationships in which good managers ensure that staff is treated in return for their commitment to organizational goals. In practice organizations have multiple purposes and have to respond to changes as Tacobide M.G.(2007).Centralized organizations are only suitable for certain business where as hierarchical model usually fails to maximize the potential of the staff by not implementing the county policies. The Trans Nzoia County Government being hierarchical seems to be failing to maximize the potential of its staff leading to job dissatisfaction hence lack of implementation of county policies leading to bad service delivery (Auditor general report 2014, 2015, 2016, 2017, 2018 and 2019).

Causes of mismanagement of resources for service delivery.

Good resource management process is essential for planning projects and ensuring they run smoothly and efficiently as stated by (Fredrick Taylor, 1856 - 1915). Resource allocation to counties is based on the assumption that resources will be made available for performance of those functions that were devolved .In the absence of prudent financial management of the resources allocated, service delivery will be negatively affected. Counties have continued to violate public finance management Act to accurately forecast capacity when selecting and prioritizing projects. Logistical errors have come out clearly when coordinating with suppliers without an accurate representation of resources. This has prompted the procurement officers to order goods or services that are not services that are not required at exorbitant costs (Auditor General's Reports, 2014/2015.). Unnecessary foreign trips fabricated as" bench making" has been an issue that had created loophole in county government where millions of taxpayers' money was misused at the expense of service delivery. Integrity amongst legislature who was supposed to oversight counties had been compromised hence no checks and balance which affected service delivery. The setback discovered continued to inhibit the county's workflow and resources as projects were delayed or dropped completely. According to Taylor's scientific theory of management, a good resource management process was essential for planning projects and ensuring they run smoothly and efficiently. Mismanagement of resources led to logistical errors when coordinating with outsider vendors without an accurate representation of resources, managers failed to know whether to order or re-order. Improper use of labour force without an understanding of available team members, teams can be incorrectly assigned to project that do not fit their skill set. Monitoring resources is essential for carrying out initiatives efficiently. Organizations that fail to track their resources end up paying in several ways and the cost of poor resources management is enormous. When resources are not managed well, organization sink very fast.Counties might have missed project deliverables and deadlines, ineffective documentation on billable hours, lack of project resources visibility for example the projects that are underway for clients when and where resources have been allocated, and assigning the wrong people to teams. Each project requires a team with the right insight accounting and project management. CIDP was formulated at the advent of devolution against a backdrop of

high expectations from the citizens for immediate results from the elected leaders. Running organizations without annual budget is like driving through an unfamiliar road without a roadmap. The driver is to find a way back from where he came from but he is likely to waste time travelling down some blind valleys (Gerber, 2005: 550).

Effects of redundancy and growth in County Government

This is a condition that one is declared unproductive in the process of service delivery in an organization depending on the economic status of an organization. Although redundancy can be seen as form of economic adjustment based upon labour market mobility but with the current global economic crisis, organizations are increasingly turning to redundancy in order to survive. This has resulted in decrease of morale, productivity, loyalty and commitment of employees. Redundancy is therefore characterized by a number of negative outcomes which leave employees demotivated, insecure, and lack of commitment (Bruckner et al., 1987). Many employees can be declared redundant depending on diverse effects of an organization. This includes: Lack of pre-requisite skills, job indiscipline, job integrity, poor public relationship, poor job management, job irresponsibility disconnect, inefficient cash forecasting, under informed decision making, failure to meet financial reporting standards among others as stated by Fredrick Taylor (1856 - 1915).

The County government is to put into consideration a workforce that is stable and that could deliver its services effectively in accordance with its statutory obligations that tries to avoid declaring its workforce redundant (redundancy and redeployment policy, (1988). Many county governments considered redundancy inevitable where every effort was made to ensure that there was quality to reduce redundancy and fairness of treatment to mitigate its effect on the employees that were not productive basing on the procedures contained in the redundancy policy document as stated by Wanjohi (2007). There were many different circumstances that led to the pooling for selection for redundancy that may lead to include similar position within and outside the business to making the staff work effectively. The selection of the staff to be declared redundant was normally made following different factors such as operational requirements, individual circumstances, knowledge and skills and overall work performance (Policy and Resources Committee July, 1998). The need to have a highly committed workforce with high trust and high intrinsic motivation had always been the desire of every organization as stated by Legge (1995).

Employees job dissatisfaction

County government workers have continued to feel unhappy about their work and its environment. This prompted the researcher to investigate the causes and the consequences of job dissatisfaction. The researcher discovered that some of the causes of job dissatisfaction included; underpayment, limited career growth, lack of interest, poor management, unsupportive and lack, poor working environment, unclear promotion policies among others. Modern management theory embraces the idea that people are complex, they do not work for money alone but instead they work for happiness, satisfaction and desired lifestyle. When employees are not happy with their jobs, several areas of their work are affected hence ineffective service delivery. This was evident in the behavior of employees as displayed when the researcher was investigating the problem; job stress, high employee turnover rates, lack of productivity, customer retention. In conclusion job dissatisfaction produced low morale among workers and low morale at work which is highly undesirable as stated by Elton Mayo (1880 -1940). If employees are meaningless and boring, they will have a negative attitude which will definitely lead to a decline in productivity as stated by Ruth May how (2017).

Job dissatisfaction produces low morale among workers and low morale at work is highly undesirable will definitely lead to decline in productivity. The researcher observed that the consequences of job dissatisfactions were worse than the cause and hence for the people of Trans Nzoia County to get improved services, the issues of job dissatisfaction has to be addressed by the top management of the county (Human Resource policies and guidelines, 2016). Job dissatisfaction is a negative emotional state resulting from not appraising one's job or experience as stated by Locke (1993). Improving dissatisfied employees performance is based on motivation that employers give workers as stated by Elton Mayo (1880 – 1949). For instance when managers devise ways of motivating the lowly performing employees, their level of performance automatically rises as compared to those who are ignored or left out. Herzberg's theory (1959) suggested that job satisfaction and dissatisfaction are not two opposite ends of the same continuum, but instead as two separate and at times and have even unrelated concepts. When working conditions are poor, lack of policies and structures, job insecurity, lack of quality management among others, employees will be dissatisfied with their jobs. According to Maslow's needs hierarchy theory on human motivation, financial compensation will help workers to meet their basic physiological needs. Safety needs enables employees to feel physically safe and their work environment hence job security leading to job satisfaction. Satisfied employees

will remain focused and feel like they belong to the organization. They will feel appreciated, valued by the organization and even their colleagues leading to good working relationship hence job satisfaction.

Research Design and Methodology:-

Research design is the actual structure or framework that indicates the time frame in which data will be collected, when the intervention will be implemented and how many groups will be involved (Edmond & Kennedy, 2012). The researcher employed mixed research design where qualitative and quantitative methods were applied forming triangulation design (Creswell, 2003). The quantitative and qualitative data were collected by use of concurrent approach because all employees were available during visits of the study. The researcher applied descriptive survey methods that in-depthly unearthed the new information from the respondents in the field of the study. The researcher was able to describe and explain the different types of occurrences that took place in county government concerning service and customer satisfaction.

Research design is the actual structure or framework that indicates the time frame in which data will be collected, when the intervention will be implemented and how many groups will be involved (Edmond & Kennedy, 2012). Since the design was suitable, the researcher triangulated the methods by directly comparing and contrasting quantitative statistical results with those of qualitative findings for proper validation and reliability.

Target Population

Target population is the largest number of the people, objects or animals in the field of the study on which the researcher is conducting the study. The researcher conducted the study on the county government employees, county government leadership. The target population of the study was 3000 employees. It is through the target population that the researcher was able to collect the data that was related to the topic of the study by answering the research question.

Sample Procedure and Sampling techniques

A sample is a portion that is taken to represent the whole group of something. Sampling can be defined as the process of obtaining representative information of a part or a piece from the population (Groves, 2010). This study applied cluster random sampling where the researcher placed the population into groups after which the researcher conducted simple random sampling in every department then the selected people acted as the respondents. The researcher applied purposive sampling technique also where data was collected from people who had knowledge on what the researcher was conducting the study on. A number of county government employees from all departments and its leadership were selected to enable the researcher to collect appropriate data. The departments included: Health, Education, Agriculture and Livestock, Sports and Gender, Public works and Roads, Finance, Public service and management, Trade and Planning, Environment, Water and Natural Resources, Procurement, Governance and County service Board.

Data Collection

Data collection is gathering empirical evidence in order to gain new insights about a situation and answer questions that prompt undertaking of the research (Flick, 2009). The main instrument for data collection was the questionnaire. The questionnaire is a convenient tool especially where there are large numbers of subjects to be handled. It facilitates easy and quick derivation of information within a short time. A self administered questionnaire was used by the researcher as it was economical in terms of time. The study also used document analysis and focused group discussions among others during the research.

A pilot study was conducted to investigate whether crucial components of the main study were feasible. The research instruments were administered to collect data from a small unit by taking longer time to unearth the information that was required in relationship to the topic of the study. It was observed that the selected unit gave out valid and reliable data hence enabling the researcher to conduct the main study. (Thabare L, Ma J, Chu R, et al.).

Data Analysis

The data collected was coded, edited for completeness, tabulated and then analyzed both quantitatively and qualitatively to answer the research questions. Data collected was analyzed by use of tables, figures and percentages. The analysis enabled the researcher to make comparisons and draw valid conclusion. In seeking to find out whether resources were utilized prudently in Trans Nzoia County, the majority of the respondents 690 (77%) confirmed that

there was mismanagement of financial resources which had impacted negatively on service delivery in the county of Trans Nzoia.

Findings and Discussion:-

The chapter highlighted on the findings, analysis, discussions, research objectives and methods employed by the researcher and the instruments that were applied. The research findings in the field were based on data provided by the respondents who filled the questionnaires, participated in focused group discussion and analyses of documents. The data was analyzed and recorded in the check list being true records as they had been administered.

The objectives were stated for proper identification and establishment. The research findings in the field were based on the obtained data provided by the respondents who filled the questionnaires. They were the true records that were given by the respondents and didn't vary or differ in any manner they reflected the opinion and the perception of the researcher. The discussions were used to conduct research findings by the application of research questions as presented to the respondents. The findings were that a lot of resources were being mismanaged of the projects that could not assist the community hence leading to many stalled projects. The study found that there was no internal and external audit control system of the financial resources due to corrupt deals in the management. The study established that there was too much of job dissatisfaction due to lack of promotion, meager allowances that could not fit the other counties hence resulting to demotivation of employees.

Conclusion and Recommendations:-

Based on the objectives of the study, guided by the research questions, the following were the findings of the study, the majority of the respondents of the study were qualified and adequately experienced to articulate the county policies and technological policy guidelines, public finance management Act, Annual budgeting procedures, adherence to service delivery, job satisfaction, job redundancy policies and management of job conflicts. Most of the workers were degree holders followed by diploma holders, bachelors of Arts, Masters of Arts and doctors of Philosophy.

For each of the research objectives on the impact of mismanagement of resources for service delivery in Trans Nzoia County, the findings established that finances were not being managed well in accordance with the public financial management Act, hence stagnation in development leading to stalled projects. This was attributed by lack of both internal and external audit of the county financial resources. Despite the fact that there are many qualified professionals in the county, there seem to be underutilization of the workers with professional skills and knowledge.

The study established that there was redundancy on employees' capacity building and development in county governments in Trans-Nzoia County. The study also established that the employees' job dissatisfaction was almost the main factor that is leading to employees demotivation for productivity. Some employees who had high qualification were being managed by workers with low quality of academic achievement.

The study recommends that:

1. All the county projects should not be implemented without following the laid down procedures as required by the county policies.
2. The execution of project operations should not be implemented without the production of the annual budget as required by law.
3. Factors such as social, economical, political and technological should be put in consideration constitutionally for the betterment of the development of the county
4. Politicians to refrain from their hardstand and foster unity when it comes to passing of motions on developmental issues within the county governments.
5. A similar study could be carried out in other counties to find out the reasons that lead to the county government not implementing the county stipulated policies.
6. A research be conducted to exploit the relationship between the financial auditing and mismanagement of financial resources.
7. The study to be conducted to find out the relationship between financial mismanagement and service delivery.

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