



## Transparency and Accountability Practice and Service Delivery of County Owned Water Organizations in Western Kenya

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### ABSTRACT

Credible disclosure and openness of information is a symbol of good corporate governance which is important in allocation of scarcely available resources. Transparency and accountability creates and sustains confidence of investors and other stakeholders in organizations and the wider society, by providing opportunities to stakeholders to receive necessary information. Organizations may have good policies on transparency and accountability but the extent to which it is successfully implemented influences service delivery. Studies have been conducted on policies and procedures on transparency and accountability of organizations, however there is inadequate empirical literature on influence of transparency and accountability on service delivery among county owned water organizations in Western Kenya. The study sought to establish the influence of transparency and accountability practice on service delivery among county owned water organizations in Western Kenya. In order to achieve the purpose, the study hypothesized that transparency and accountability practice has no influence on service delivery among county owned water organizations in Western Kenya. The study was guided by Stakeholder Theory and employed descriptive survey and correlational design. Data was collected from directors, managers, employees and customers of county-owned water organizations in Western Kenya. The sample size for directors and managers were determined using stratified, simple random sampling technique. Purposive technique was used to determine the sample size for customers and the sample size for employees was determined using Yamane. Both qualitative and quantitative types of data were collected using self-administered semi structured questionnaires and interview guides respectively. The overall value of Cronbach's alpha reliability was high enough and validity was tested using content validity index which met the threshold. Normality was conducted using Shapiro Wilk test. Data analysis was done using descriptive statistics of inferential statistics such as Pearson's Product Moment Correlation Coefficient and Simple Linear Regression. Qualitative data was analyzed using content analysis. Data is presented in form of tables. The values of Pearson correlation coefficients established that there existed a relationship between transparency and accountability and service delivery among county owned water organizations in Western Kenya. The results of simple regression analysis test established that transparency and accountability was statistically significant on service delivery among county owned water organizations in Western Kenya. It is hoped that the findings will benefit various stakeholders such as customers, in the water sector in Kenya, and academic researchers. The study recommended that organizations should embrace dissemination of necessary information to stakeholders in order to ensure that there is improved service delivery.

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### Introduction

Transparency and accountability is an important practice of corporate governance because it creates and sustains confidence of investors and other stakeholder and the wider society, by providing opportunities for continuous improvement of business structures and processes (State Corporations Advisory Committee, 2015).

The existence of transparency and accountability is prerequisite to effective, efficient and good governance of public organizations. Therefore appropriate establishment of transparency and accountability is the basic action for optimum use of resources by improving fairness and rights of all stakeholders of organizations (Gaventa & McGee, 2013).

Transparency and accountability consist of policies and procedures designed to provide management with reasonable assurance that organizations will achieve their goals and objectives (Patel, Balic & Bwakira, 2002; Benjamin, 2014).

Transparency and accountability enables investors, creditors and market participants to evaluate the financial condition of an entity. The practice also increases confidence in the fairness of markets. Therefore, transparency and accountability, as a practice is important in corporate governance because it enables boards of directors to evaluate management's effectiveness and can take corrective actions when and where necessary to address challenges when and where necessary to address challenges in financial condition of organizations (Uren 2003).

Today, transparency is no longer restricted to financial statements, but encompasses broad arrays of additional matters that must be disclosed in order to give investors the critical information they need. Building a culture of transparency in corporate organizations through open and honest ensures trust otherwise lack of communication and transparency creates suspicion among stakeholders. Organizations need to create a culture of openness and respect where stakeholders are free to speak the truth about governance and service delivery (Benjamin, 2014).

Transparency and accountability was practiced in countries such as United Kingdom where studies were carried out with participation of researchers in the United States, South Africa, Brazil and India in five priority sectors namely, public service delivery, budget processes, freedom of information, natural resource governance, and aid transparency. The findings indicated that transparency and accountability affect all the processes (Transparency and Accountability Initiative, 2010).

In Kenya, transparency and accountability is practiced by both private and public corporate organizations such as Nanyuki water and sewerage services company, where a study was conducted on the relationship between the transparency and accountability, and organizational performance. The findings showed that the organization had considerably improved performance as a result of improved transparency and accountability practice (Baswony, 2012). Wakhisi (2018) also conducted a study on enhancing accountability in public sector on lifestyle audit and professional ethics in Kenya. The findings showed that transparency and accountability is a key factor in organizations towards achievement of their goals and objectives.

The studies conducted were outside Kenya in different contexts such as in UK, US, among others, and also addressed different areas such as freedom of information, budget processes among others. The studies were also conducted in teams. Therefore the current study was conducted by an individual and sought to address the influence of transparency and accountability on service delivery among county owned water organizations in Western Kenya.

#### **Statement of the Problem**

Credible disclosure and openness of necessary information is a symbol of good corporate governance which is important for allocation of scarcely available resources for effective service delivery. Transparency and accountability creates and sustains confidence of investors and other stakeholders in organizations and the wider society by providing opportunities to stakeholders to receive necessary information. (Benjamin, 2014).

County owned water organizations in Western Kenya are mandated to conduct water production, distribution, waste water management, cost optimization and customer care services among others (Constitution of Kenya, 2010). However, there is still much to be done for instance, there is inadequate planning of organizations, there is lack of incentives for employees, inadequate dissemination of necessary information, inappropriate mechanism of reporting, monitoring and evaluation of performance of personnel, is also questionable. These challenges affected service delivery among county owned water organizations in Western Kenya.

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processes, freedom of information, natural resource governance, and aid transparency. However, the findings indicated that transparency and accountability affect all the processes (Transparency and Accountability Initiative, 2010).

In Kenya, studies were conducted such as Baswony (2012) on transparency and accountability in Nanyuki water and sewerage services company. The findings showed that organization considerably improved performance as a result of transparency and accountability practice. Wakhisi (2018) also conducted a study on enhancing accountability in the public sector: lifestyle audit and professional ethics and established that accountability is a key factor in organizations towards achievement of their goals and objectives in Kenya.

The studies that were conducted in Kenya, addressed transparency and accountability, and culture in organizations and were conducted in Nanyuki water and sewerage company which is in central Kenya, which is far away from Western Kenya. However, there was a gap in empirical literature on the influence of transparency and accountability on service delivery among county owned water organizations in Western Kenya which the current study sought to address.

#### **Objective of the study**

The study sought to find out the influence of transparency and accountability on service delivery among county owned water organizations in Western Kenya.

#### **Study hypothesis**

H<sub>01</sub>: Transparency and accountability has no influence on service delivery among county owned water organizations in Western Kenya

#### **Significance of the Study**

The study findings will benefit government agencies in Kenya such as Ministry of Water and Irrigation. The study will provide information to guide donors and other well-wishers in development of water services and products. The findings will also contribute to the advancement of academic knowledge as well as benefit customers.

#### **Literature Review**

##### **Theoretical Review**

The study was guided by Stakeholder Theory which was embedded in the management discipline in 1970 and developed by Freeman (1984) incorporating corporate accountability to a broad range of stakeholders. The theory is premised on the notion that any group or individual can affect or be affected by the achievement of the organization's objectives. Therefore dissemination of necessary information by organizations is important because stakeholders such as employees and customers will get to understand the operations of organizations which in turn lead to improved service delivery of county owned water organizations in Western Kenya.

##### **Empirical Literature**

Studies have been conducted on transparency and organizational performance such as Bennis, Goleman and O'Toole (2009), who came up with steps for developing a culture of transparency in organizations. The study recommended that organizations need to encourage people to speak the truth about power, reward contrarians, diversify of information sources, and build organizational support for transparency. However, Brunetti, Aymo and Weder (2003) studied on transparency and organizational performance and found out that there is a negative relationship between transparency and organizations' performance in Malaysia.

Sokol (2009) in his study in Chile, New Zealand, among others, argued that transparency depends on governance

mechanism brought about by the enforcement of legal and regulatory requirements. Al- Haddad, Alzurqan and Al-Sufy (2011) in their study assert that transparency and accountability consist of policies and procedures designed to provide management with reasonable assurance that the organizations will achieve their goals and objectives. Good governance holds Management accountable to boards of directors and boards of directors accountable to owners and other stakeholders.

### Study Gap

The studies conducted were in different environment and mostly outside Kenya. They were also on transparency and performance of organizations. However little literature was available on the influence of transparency and accountability on service delivery among county owned water organizations in Western Kenya which the current study sought to find out.

### Methodology

#### Study Design

The study employed descriptive survey design and correlational design and the aim was to acquire and provide information as it is on the ground (Kothari, 2011; Mugenda, 2011).

#### Study Area

The study was conducted in county owned water organizations in Western Kenya which included Trans Nzoia, Bungoma, Kakamega and Vihiga. The areas boarder Uasin Gishu to the east, Uganda to the West, Nyanza to the South and to the North, it shares a common border with West Pokot. The study area lies within longitudes 34.675250 and latitudes 0.550432 approximately (Mynasadata, 2017).

The Counties have three water organizations namely, Amatsi Water and Sanitation Services Company, which serves Vihiga customers, Kakamega Water and Sanitation Services Company which serves Kakamega customers and Nzoia Water and Sanitation Services Company which serves Trans Nzoia and Bungoma customers respectively.

#### Target Population

Data was collected from directors because they are the policy makers of organizations, and managers and employees were chosen because they are the implementers of the practices among the three county owned water organizations in Western Kenya namely, Amatsi Water and Sanitation Services respectively, Nzoia Water and Sanitation Services and Kakamega Water and Sanitation Services. Customers were chosen because they are the consumers of the services /products.

#### Instrumentation, Validity and Reliability

The study used structured and semi structured questionnaires which were designed based on the main concepts and constructs that led to transparency and accountability and service delivery among county owned water organizations in Western Kenya. Construct validity was checked by use of content validity index and recorded the results of 0.60, while reliability was checked by using Cronbach's alpha coefficient which was found to be 0.787 that met the required threshold.

#### Sampling Procedure

From the table, model summary results show that  $r$  squared, was 0.274 which translated to 27.4% of variations in service delivery that were caused by transparency and accountability, while 72.6% were caused by other factors or unexplained variations.

ANOVA results show that  $F$  was 85.75 and  $P$  value was 0.000 tested at 0.05 level of significant and this indicated that

The sample size for directors and managers were determined using stratified simple random sampling, while the sample size for employee was determined by Yamane (1973), which was used in order to get adequate representations of groups. The sample size for customers was determined using purposive technique.

#### Sample Size Determination

The sample size for directors was 8, 11 managers and 144 customers respectively. The sample size for employees was 229 for each of the three county owned water organizations in Western Kenya, to make meaningful inferences from the findings.

#### Data Analysis

Descriptive statistics of Pearson Product Moment Correlation Coefficient analysis test was used to establish the relationship between transparency and accountability and service delivery. Simple Linear Regression analysis was used to establish the effect of transparency and accountability on service delivery among county owned water organizations in Western Kenya.

#### Ethical Considerations

The study ensured that anonymity and privacy of the respondents was assured at all times. The respondents were also served with a letter of introduction showing the purpose and intent of conducting the study.

#### Results and Interpretations

The study employed descriptive statistics specifically inferential, using Pearson Product Moment Correlation Coefficient analysis test to establish the relationship between transparency and accountability and service delivery. Simple Regression Analysis test was used to establish the effect of transparency and accountability on service delivery among county owned water organizations in Western Kenya.

#### Transparency and Accountability and Service Delivery

The study sought to establish the relationship between transparency and accountability and service delivery among county owned water organizations in Western Kenya. Pearson's Moment Correlation Coefficient test was used to determine this and the results are presented in Table 4.1.

**Table 4.1. Transparency and Accountability and Service Delivery**

| Practice                        | Statistic                    | Service Delivery |
|---------------------------------|------------------------------|------------------|
| Transparency and Accountability | Pearson's Moment Correlation | .524**           |
|                                 | Sig. (2-tailed)              | .000             |
|                                 | N                            | 229              |

Source: Research Study (2019)

From the table,  $r = 0.524$  which showed that there exists a correlation between transparency and accountability and service delivery among county owned water.

#### Hypothesis Test

$H_{01}$ : Transparency and accountability has no influence on service delivery among county owned water organizations in Western Kenya

The study sought to establish if transparency and accountability practice has significant effect on service delivery. This was tested using simple regression analysis and the findings are presented in Table 4.2.

transparency and accountability had significant effect on service delivery among county owned water organizations in Western Kenya. The value of regression coefficient 0.599 indicated that a one unit increase in transparency and accountability was associated with an increase of 0.599 units in service delivery. The study therefore rejected the null hypothesis and concluded that transparency and accountability

**Table 4.2. Transparency and Accountability on Service Delivery**

| Model Summary  |                             |            |                           |                            |       |
|--|-----------------------------|------------|---------------------------|----------------------------|-------|
| Model  | R                           | R Square   | Adjusted R Square         | Std. Error of the Estimate |       |
| 1  | .524a                       | 0.274      | 0.271                     | 0.48739                    |       |
| a. Predictors: (Constant), Transparency and Accountability |                             |            |                           |                            |       |
| b. Dependent Variables: Service Delivery                   |                             |            |                           |                            |       |
| ANOVA <sup>a</sup>   |                             |            |                           |                            |       |
| Model  | Sum of Squares              | Df         | Mean Square               | F                          | Sig.  |
| Regression   | 20.37                       | 1          | 20.37                     | 85.75                      | .000b |
| Residual   | 53.924                      | 227        | 0.238                     |                            |       |
| Total  | 74.294                      | 228        |                           |                            |       |
| a. Dependent Variable: Service delivery                    |                             |            |                           |                            |       |
| b. Predictors: (Constant), Transparency and Accountability |                             |            |                           |                            |       |
| Regression Coefficients <sup>a</sup>                       |                             |            |                           |                            |       |
| Model  | Unstandardized Coefficients |            | Standardized Coefficients | T                          | Sig.  |
|  | B                           | Std. Error | Beta                      |                            |       |
| (Constant)   | 1.585                       | 0.259      | 0.000                     | 6.107                      | 0.000 |
| Transparency and accountability                            | 0.599                       | 0.065      | 0.524                     | 9.26                       | 0.000 |

a. Dependent Variable: Service Delivery

Source: Research Study (2019)

was statistically significant on service delivery among county owned water organizations in Western Kenya.

Qualitative findings on transparency and accountability established that some county owned water organizations in Western Kenya only share information with government departments and have ignored other stakeholders such as customers. One of the customer respondent affirmed by indicating that "... *there is no transparency in terms of job vacancies advertisements in this water company but we keep on seeing new employees who have been recruited and we keep on wondering how the recruitment is done*".

The findings corroborate with Sokol (2009) in his study where he argued that appropriate establishment of corporate governance practices such as transparency and accountability is the basic action for optimum use of resources and observing fairness and rights of all stakeholders among corporate organizations. The sentiments are also in line with Haddad *et al.*, (2011) who indicated that transparency and accountability consist of policies and procedures designed to provide the management with reasonable assurance for organizations to achieve their goals and objectives.

The findings also corroborate with Nyokabi (2009) in her study where she established that there is need for organizations to have ways and means of ensuring transparency and accountability in day-to-day undertakings since it affects service delivery. The findings also corroborate with Benjamin (2014) who asserted that transparency is important in corporate governance because it improves service delivery. However, Brunetti, Aymo and Weder (2003) disagreed with the study findings when they concluded in the study that there is a negative relationship between transparency and organizations' performance.

Therefore, transparency is not restricted to financial statements, but encompasses broad arrays of additional matters that must be disclosed in order to give stakeholders the critical information they need. Building a culture of transparency is a fundamental step to achieving trust where open and honest communication supports the decision to ensure trust. Lack of communication and transparency creates suspicion. Therefore corporate organizations need to create a

culture of openness and respect where stakeholders are free to speak the truth about governance and management.

### Conclusions and Recommendations

These were made on the basis of the objective of the study which addressed transparency and accountability and service delivery among county owned water organizations in Western Kenya.

### Conclusions

Based on the study findings, it was concluded that transparency and accountability was statistically significant on service delivery among county owned water organizations in Western Kenya.

### Recommendations

County owned water organizations should put in place measures and mechanisms of maintaining and improving the level of transparency and accountability. This can be achieved through top down and down top communication process and also enhance open communication through Newspapers, magazines, radio announcements with external stakeholders.

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