

**THE INFLUENCE OF CORPORATE GOVERNANCE ON
QUALITY OF SERVICE PROVIDED BY THE GOVERNMENT
OF RUIRU SUB-COUNTY, KENYA**

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DEDICATION

To my dear daughters Esther and Grace Githinji for being truthful and Inspirational

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
DEDICATION	iii
LIST OF TABLES	vii
LIST OF FIGURES	ix
ABREVIATIONS AND ACRONYMS	x
ABSTRACT	xi
CHAPTER ONE: INTRODUCTION	1
1.1 Background	1
1.1.1 Corporate Governance	2
1.1.2 Quality of service	4
1.1.3 The devolved system of Government in Kenya	6
1.1.4 The Sub County Government of Ruiru	8
1.2 Research Problem	9
1.3 Research Objective	10
1.4 Value of the study	10
CHAPTER TWO: LITERATURE REVIEW	12
2.1 Introduction	12
2.2 Theoretical Foundation	12
2.2.1 Resource Dependency Theory	12
2.2.2 Stakeholder Theory	13
2.2.3 The stewardship theory	14
2.3 Services at Public Sector	16
2.4 Corporate Governance and delivery of Education, Social and ICT Services	18
2.5 Corporate Governance and delivery of Public Health Services	19
2.6 Corporate Governance and delivery of Water Services	20
2.7 Corporate Governance and delivery of Environmental Services	22
2.8 Corporate Governance and Delivery of Agricultural services	22
CHAPTER THREE: RESEARCH METHODOLOGY	25
3.1 Introduction	25

3.2 Research design	25
3.3 Population	25
3.4 Sample design	26
3.5 Data collection	27
3.6 Data Analysis	27
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS	29
4.1 Customer's Responses	29
4.1.1 Socio-Demographic Information of the customers	29
4.1.2 Customer Service Standards	30
4.1.3 Access to service and Facilities	32
4.1.4 Customer Communications.....	33
4.1.5 Overall Satisfaction with Service Provision	35
4.1.5 Correlation between Customer Service Standards and the Level of.....	35
4.1.6 Correlation between Access and Facilities and the Level of Customer Satisfaction on Timeliness of Service Delivery.....	36
4.1.7 Correlation between Communication and the Level of Customer Satisfaction on Timeliness of Service Delivery.....	37
4.1.8 Correlation between Communication and level of satisfaction on staff Competence	38
4.2 Results for Heads of Departments (HODs) Responses.....	38
4.2.1 HODs Demographic Profile.....	38
4.2.2 Customer Service Standards	40
4.2.3 Access and Facilities.....	43
4.2.4 Communications	44
4.2.5 Overall Evaluation of the Quality of service provided by Ruiru Sub County n	46
4.2.6 Correlation between Customer Service Standards (C.S.S) and Overall Performances (O.P) of Ruiru Sub-County Government	47
4.2.7 Correlation between Access and Facilities (A.F) and Overall Performance (O.P) of Ruiru Sub-County Government	48
4.2.8 Correlation between Communication (COMM) and Overall Performance (O.P) of Ruiru Sub-County Government	48
CHAPTER FIVE: SUMMARY CONCLUSION AND RECOMMENDATION	51
5.1 Introduction.....	51
5.2 Summary of the Major findings	51
5.2.1 Corporate Governance influence on Service Standards.....	51
5.2.2 Corporate Governance influence on Service Standards on access and facilities of the Service	52
5.2.3 Corporate Governance influence Service Communication.....	53
5.2.4 Customer overall Satisfaction With the services provided by Ruiru Sub County as influenced by Corporate Governance	53

5.2.5 HODs overall Evaluation of the Quality of Services Provided by Ruiru Sub County as influenced by Corporate Governance	54
5.3 Conclusions.....	54
5.4 Recommendations.....	55
REFERENCE.....	56

LIST OF TABLES

Table	Page
Table 3.1: Sample Structure.....	27
Table 4.01: Corporate governance influence on customer service standards.....	30
Table 4.02: Corporate governance influence on Service access and facilities.....	32
Table 4.03: Corporate governance influence on Customer Communications.....	33
Table 4.04: Satisfaction with service provision.....	35
Table 4.05 Correlation between Customer Service Standards (C.S.S) and timeliness of Service Delivery (T.S.D) and Correlations.....	36
Table 4.06: Correlation between Access and Facilities (A.F) and the Level of Customer Satisfaction on Timeliness of Service Delivery (T.S.D).....	36
Table 4.07: Correlation between Communication and the Level of Customer Satisfaction (C.S) on Timeliness of Service Delivery (T.S.D).....	37
Table 4.08: Correlation between Communication (COMM) and level of satisfaction on Staff Competence (S.C).....	38
Table 4.09: Corporate governance influence on customer service standards.....	40
Table 4.10: Corporate governance influence on access and facilities.....	43
Table 4.11: Corporate governance influence on communications.....	44
Table 4.12: Level of satisfaction with Services provided by Ruiru Sub County.....	46
Table 4.13: Correlation between Customer Service Standards (C.S.S) and Overall Performance (O.P) of Ruiru Sub-County government.....	47
Table 4.14: Correlation between Access and Facilities (A.F) and Overall Performance (O.P) of Ruiru Sub-County Government.....	48

Table 4.15: Correlation between Communication (COMM) and Overall Performance (O.P) of Ruiru Sub-County Government.....	48
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LIST OF FIGURES

Figure	Page
Figure 2.1: The Stewardship Model.....	16

ABBREVIATIONS AND ACRONYMS

HODs

Heads of Department

CG

Corporate Governance

ABSTRACT

The purpose and objective of this study was to investigate the influence of corporate governance on the quality of the service provided by the Government of Ruiru Sub County. This study provides a basis by which public and private organizations can configure, generate and develop consistent, flexible and adoptive quality service delivery and corporate governance polices. The study applied

The purpose and objective of this study was to investigate the influence of corporate governance on the quality of the service provided by the Government of Ruiru Sub County. This study provides a basis by which public and private organizations can configure, generate and develop consistent, flexible and adoptive quality service delivery and corporate governance polices. The study applied descriptive cross-section research design which enabled the researcher to provide numeric descriptions of some part of the population, the researcher was able to describe and explain the influence of corporate governance as it is. The design was appropriate for this study as the study was carried out at one time point and over a short period of time. The design was conducted to estimate the prevalence of the influence of corporate governance on quality of service. The design is relatively inexpensive and takes a shorter period to undertake. The design examined relationship between corporate governance and quality of services delivered by the government of Ruiru Sub County. The study target population was heads of departments and customers of the sub county, simple random and stratified sampling techniques were applied to arrive at the sample. Both structured and unstructured questionnaires were used to collect data from the heads of department and customers of Ruiru sub county.

The findings portrays that corporate governance has strong positive and negative influence on customer service standard, access and facilities, customer communications and overall satisfaction of the customers.

The study recommends a critical assessment of structures and systems applied adopted by the county government to make them more responsive to customers need. There is need to also come up with models and policies flexible, adaptive and suitable to varying county Government needs

CHAPTER ONE: INTRODUCTION

1.1 Background

The concept of governance has been applied in economics, law and management for centuries. It has been understood to mean enforcement of contracts, protection of property rights and collective action (Mulili, 2013). The concept began to be used and spoken about more commonly in the 1980s but it originated in the nineteenth century when its application was being advocated for as a way of limiting liabilities (Parker, 1996)

According to Clarke, (2004) corporate governance gained prominence in the 1980s because this period was characterized by stock market crashes in different parts of the world and failure of some corporations due to poor governance practices. Corporate collapse was the predominant driver for change to corporate governance codes. As more corporate entities in different parts of the world collapsed in 1980s, there was a change of attitude with much higher performance expectations being placed on firm management boards. There was also a growing realization that managers are to run firms while boards are to ensure that firms are run effectively and in the right direction (Donaldson & Preston, 1995). Directors and managers require different sets of skills and managers do not necessarily make good directors.

As envisaged by Dunphy, Griffiths and Benn (2003) there was also growing acknowledgement that improved corporate governance was crucial for the growth and development of the whole economy of a country.

In East Africa, a sharper focus on corporate governance has led to public awareness, investigations and policies like anti-money laundering law even though regulatory policy remains uncoordinated. There is no doubt that corporate governance is on the leadership agenda of organizations in East Africa. In an annual survey of Chief

Executive Officers 79% of executives in East Africa reported that they had plans to increase their efforts to manage corporate reputation (The East Africa, 2013)

The Capital Markets Authority of Kenya takes corporate governance among all listed companies as a serious matter of business regulation and as a yardstick of seriousness in contribution to economic development of the country. (The Capital Market Authority, 2013)

1.1.1 Corporate Governance

According to Dierkes and Nonaka, (2012) corporate governance refers to the system of rules, practices and processes by which a company is directed and controlled; it involves balancing the interests of many stakeholders in a company. These include its shareholders, management, customers, suppliers, financiers, government and community.

It refers to mechanism, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of the rights and responsibilities among the different participants in the corporations such as the board of directors, managers, shareholders, creditors, auditors, regulators and other stakeholders. It also includes rules and procedures for making decision in corporate affairs (Kim et al, 2007).

Rothman et al (2001) mentions a number of players in corporate governance. Historically Accountants and Auditors have facilitated the function of gathering, compiling, reporting and achieving the firm's business activities. Managers use the accounting information to measure progress towards their goals and highlight any potential problems in advance. Managerial accounting has historically played a large part in the control and evaluation of the business and its performance.

The Board of Directors is charged with a number of functions. First and foremost to hire, evaluate, and fire top management, with the position of the Chief Executive

Officer (CEO) being the most important to consider, to vote on major operating proposals (for instance large capital expenditures and acquisitions), issuance of stocks and bonds, dividend payments and stock repurchases, to offer expert advice to management and to make sure the firms activities and financial conditions are accurately reported to its shareholders Clarke (2004).

According to Dierkes et al (2012) a firm should conduct its business in a manner that meets its economic, legal, ethical, and philanthropic expectations. Economically a firm must succeed in producing goods and services at a profit. On a legal basis the society expects firms to operate their businesses within the legal framework. Ethical responsibilities are those that are over and above the ones codified in law and are in line with societal norms and customs.

Good corporate governance must encompass four key aspects namely, establishing a board of directors that has clear responsibilities and whose role of directing or governing is different from that of the firm's managers, establishing checks and balances in governance structures with no one person having unfettered power , having a well-balanced board team composed of executive and non-executive directors and ensuring transparency of a board in directing and controlling an organizations (Mulili, 2010).

The Association of chief executive officers of American (2002) summarizes the principles of good corporate governance as follows. A board has a paramount duty of selecting and overseeing a competent Chief Executive Officer (CEO) and other senior managers; management has a responsibility to act in an effective and ethical manner in the process of increasing capacity. There is need for accurate and timely financial reporting; a firm must deal with its employees in a fair and equitable manner.

The Organization for Economic Co-operation and Development (1999) also outlined five corporate and governance principles, the principles that include, Protection of shareholders' rights, equitable treatment of all shareholders, including effective redress. The rights of stakeholders should be recognized. Timely and accurate disclosure of all matters that are regarded by a firm as being material, these may include financial, performance, ownership and governance matters. Effective monitoring of management and accountability of a board is also key principle

1.1.2 Quality of service

According to Saxena, (2004) determination of the quality of service is based on comparison between the customers' expectations and the current or existing performance. A business with high service quality will meet customer needs while remaining economically competitive. Improved service quality is likely to enhance organizations competitiveness. The quality service goals may be achieved by understanding and improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes

Saxena (2004) further noted that service leaders or firms that excel in service quality have a number of characteristics. Firstly they have Service Vision. Service leaders believe that service quality is crucial for gaining competitive advantage and for corporate growth; High standards. The leaders are also zealous about providing quality service the first time and they value the goal of zero defects while striving continuously to improve the reliability of their service. In the field of leadership, leaders go out where the action is, they are visible to their people, they coach them, appreciate their effort, show them the correct way of doing things, and also observe, probe and listen to them. They believe in a two way communication process, are team builders and challenge everyone in the organization to excel. On integrity, these men

and women are examples of high personal integrity, they value doing the right thing – even when it is inconsistent or costly. They believe in being fair, honest, sincere, consistent and truthful. The leadership also has a concern for customers

Lovelock and Wirtz (2004) are of the opinion that organizations that are committed to delivering quality services place customers over and above anything else in the organization. They believe in encouraging customers to give feedback and listening to it. From the feedback they are able to learn and understand more about customers' expectations and problems. This enables them to be more competitive and satisfy the customers' needs. They have clear service standards which are communicated to target customers. They are transformative and make use of technology to promptly serve customer, technology also reduces the cost of operation. Further these types of organizations involve customers in organization growth, the feedback from the customer and interactions are taken seriously in planning the marketing programs of the firm.

These firms adopt a flat structure and do not show signs of tall hierarchy; they are able to respond faster to customers' needs. Being decentralized in nature they encourage individual employees to take risks. They value individual employee's autonomy and encourage independence rather than dependence on the top management for problem solving. They empower their employees and create a highly motivated team of people who share the organization goal of customer happiness. In training and development of human capital the organizations invest sizeable resources in building the capacity of their staff to create customer satisfaction. They create an organization environment that fosters excellence in customer service (Lovelock et al, 2004).

One service quality measurement model that has been extensively applied is the SERVQUAL model developed by Parasuraman and Zeithml (1993). The model is the most often used approach for measuring service quality. According to Gronros (1982) it compares customers' expectations before a service encounter and their perceptions of the actual service delivered. The SERVQUAL instrument has been the predominant method used to measure consumers' perceptions of service quality. The model is based on the premise that customers can evaluate a firm's service quality by comparing their perceptions of its service with their own expectations. SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service providers in both public and private sectors (Gronroose, 1982)

The scale contains the five dimensions of quality that is tangibility, reliability, responsiveness, assurance and empathy. Tangibility covers physical facilities, equipment and appearance of personnel, customer/clients judge the quality of service from what they can see, touch or feel, worn out facilities are not likely to attract customers that are searching for quality service. Reliability of service refers to ability to perform the promised service dependably and accurately, by setting clear service quality standards a service provider may achieve this component. Responsiveness refers to willingness to help customers and provide them with prompt service as delays in service delivery frustrate customers. In addition the product/service should offer some assurance which can be addressed by competence, courtesy, credibility and security. Knowledge and courtesy of employees and their ability to inspire trust and confidence and empathy: (including access, communication, understanding the customer), caring and individualized attention that the firm provides to its customers.

1.1.3 The devolved system of Government in Kenya

According to the National Council for Law reports (2010), chapter 11 of the Kenya Constitution deals with the concept of devolved government. Article 174 of the

constitution highlights the following as the main objects of devolution of government, to promote democratic and accountable exercise of power, to foster National unity by recognizing diversity, to give powers of self-governance to the people and enhance participation of the people in the exercise of power of the state and making decisions that affect them, to recognize the right of communities to manage their own affairs and to further their development, to protect and promote the interests and rights of minorities and marginalized communities, to promote social and economic development and the provision of proximate, easily accessible services throughout Kenya, to ensure equitable sharing of national and local resources throughout, to facilitate decentralization of state organs ,their functions and services, from the capital of Kenya and to enhance checks and balances and separation of power. Article 175 of the constitution section (b) states that county governments will have reliable sources of revenue to enable them to govern and deliver services effectively.

According to Kenya Law reports (Urban Areas and Cities Act No. 13 of 2011) the governance and management of urban areas and cities shall be based on a number of principles, first is the recognition and respect for the constitutional status of county governments, secondly is the recognition of the principal and agency relationship between the boards of urban areas and cities and their respective county governments including carrying out by a board of such functions as may be delegated by the county government, financial accountability to the county government. The management must promote accountability to the county government and residents of the urban area or city and active participation by its residents in the management of the urban area and city affairs. On behalf of county government deliver efficient and effective services and clear assignment of functions.

The constitution of Kenya chapter 13 article 232 (National Council for law Reporting, 2010) articulates values and principles of public service, public employees are expected to uphold high standards of professional ethics, strive towards efficient, effective and economic use of resources. All public servants should be responsive, prompt, effective, impartial and equitable in provision of services. In essence the public institutions are not exceptional in providing quality service to its citizenry. In addition a city or municipal board may, if it considers it necessary, establish operational sectors and service delivery entities, with the approval of the county executive committee, for the efficient carrying out of its functions and the delivery of the services within its area of jurisdiction.

1.1.4 The Sub County Government of Ruiru

According to Center for Sustainable Urban Development, (2014) Ruiru Sub County is one of the 12 sub counties within Kiambu County. Kiambu County is located in the Central highlands of Kenya in the former Central Province, close to Kenya's capital, Nairobi. Covering an area of 2,543.42 square kilometers, it is also considered one of the most resourceful counties in Kenya. Ruiru sub county is located along Thika Superhighway between Kenyatta University and Juja town , Ruiru town is one of the fastest growing towns in the county. It is a busy commercial hub hosting several industries including Devki Steel Mills, Brookside Dairy and Spinners Garment factory amongst others. It is also connected by road and rail to neighboring towns (Center for Sustainable Urban Development, 2014). The Sub County has population of approximately 238 858. It measures approximately 179.90 Square Kilometers (Kenya Bureau of Statistic, 2009). The Sub County is composed of eight County assembly wards. The sub county is headed by a county administrator, it has five departments namely Education, social services and ICT, Agriculture, Water, Environment and Public Health. Each department has a head that is competitively

recruited. The head of departments acts as an interface between the top management at county and sub county level and the residents/clients. The departments are the focal points of providing service to residents of the sub county.

1.2 Research Problem

Good Corporate Governance seeks to promote efficient, effective and sustainable corporations that contribute to the welfare of society by creating wealth, employment and solutions to emerging challenges. It creates responsive and accountable corporations that are legitimate and managed with integrity, probity and transparency. Prudent corporate governance recognizes and protects the rights of its stakeholders; it applies an inclusive approach based on democratic ideals, legitimate representation and participation (Mulili, 2013).

A lot has been investigated and published on general corporate governance but little has been on how corporate governance influences the quality of services delivered by organizations specifically in the public sector. According to Marcos, (2005) good governance delivers benefits to each organizational stakeholder it plays an important role in the process of assuring customer satisfaction with the management of business in all areas from the flawless manufacture of products and consistent execution of services. Though the writer mentions that corporate governance affect service delivery he does not expound or explain how. Every government's priority is to provide equal access to service, increased productivity and lowering cost (Sisulu, 2012) however no much is explained by the author on accessibility to services and the role of corporate governance.

Beside conflict with the central government the capacity and commitment of County and Sub-county governments is at stake which can be argued it's partly associated with the sub counties inability to restructure service delivery mechanisms (Private Sector Initiative for Corporate Governance Trust, 2004)

The devolved system of government is relatively new in Kenya. It was born with the promulgation of new constitution 2010. Little has been investigated on corporate governance and service delivery within the new system.

Beside its short life so many issues have come up that are either directly or indirectly connected or linked to corporate governance. One of the object of devolve government is to facilitate the decentralization of State organs, their functions and services, from the Capital City of Kenya, this goal may not realized unless some of the implementation challenges are addressed. It is on the basis of this background that the researcher proposed and researched to answer the question: “What is the influence of corporate governance on the quality of service delivered by the government of Ruiru Sub County?”

1.3 Research Objective

The objective of this study was to determine the influence of corporate governance on quality of services provided by the Government of Ruiru Sub County

1.4 Value of the study

The implementation of the new constitution though on course has myriad of challenges which can partly be sorted by the study findings as it facilitates the formulation and review of policies by both county and central governments to address service quality that can meet Kenyans needs and expectations amid implementation of the new constitution. More specifically the study provides some insights that can facilitate the formulation of policies that are localized to address challenges in all the relevant departments.

The study findings is of much use in improving the status of corporate governance in both county and central governments as it provides recommendations on good governance practices as it relates to quality service delivery. Good corporate

governance translates to quality management in human and physical resources which is bound to improve service delivery and quality of life of citizens.

The study enormously contributes knowledge to the field of corporate governance and its influence and effect on devolved governments. The study has generated information and knowledge that is currently scanty. It therefore forms useful materials for reference to other researchers and readers in general.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the literature related to corporate governance influence on the quality of service provided by Ruiru sub-county. It particularly lays emphasis on the general service delivery practices in public sector and narrows down the corporate governance influence on different departments within Ruiru Sub County.

2.2 Theoretical Foundation

A number of theories have been propagated by different scholars; each of the theories has an argument on definition and practice of corporate governance. This study was however guided by three theories but more inclined towards stewardship theory

2.2.1 Resource Dependency Theory

According to Abdallah and Benedict (2009) resource dependency theory concentrates on the role of board directors in providing access to resources needed by the firm. Further they contend that resource dependency theory focuses on the role that directors play in providing or securing essential resources to an organization through their linkages to the external environment. Indeed Ramani (2006) concurs that resource dependency theorists provide focus on the appointment of representatives of independent organizations as a means for gaining access in resources critical to firm success. According to Freeman (1994) directors bring resources to the firm, such as information, skills, access to key constituents such as suppliers, buyers, public policy makers, social groups as well as legitimacy. Directors can be classified into four categories of insiders, business experts, support specialists and community influential's. First, the insiders are current and former executives of the firm and they provide expertise in specific areas such as finance and law on the firm itself as well as general strategy and direction. Second, the business experts are current, former senior executives and directors of other large for-profit firms and they provide expertise on business strategy, decision making and problem solving. Third, the support specialists

are the lawyers, bankers, insurance company representatives and public relations experts and these specialists provide support in their individual specialized field. Finally, the community influential factors are the political leaders, university faculty, members of clergy, leaders of social or community organizations.

2.2.2 Stakeholder Theory

According to Freeman (1994) stakeholder theory was embedded in the management discipline in 1970 and gradually devolved to incorporate accountability to a broad range of stakeholders. Stakeholder theory was derived from a combination of the sociological and organizational disciplines. Indeed, stakeholder theory is less of a formal unified theory and more of a broad research tradition, incorporating philosophy, ethics, political theory, economics, law and organizational science. A stakeholder is defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. The stakeholder’s theorists suggest that managers in organizations have a network of relationships to serve – this include the suppliers, employees and business partners. It is argued that this group of network is important other than owner-manager-employee relationship (Freeman, 1999).

On the other end, Sundaram and Inkpen (2004) contend that stakeholder theory attempts to address the group of stakeholder deserving and requiring management’s attention. Whilst, Donaldson and Preston (1995) claimed that all groups participate in a business to obtain benefits. Nevertheless, Clarkson (1995) suggested that the firm is a system, where there are stakeholders and the purpose of the organization is to create wealth for its stakeholders.

The network of relationships with many groups can affect decision making processes as stakeholder theory is concerned with the nature of these relationships in terms of both processes and outcomes for the firm and its stakeholders. Donaldson et al (1995) argued that this theory focuses on managerial decision making and interests of all

stakeholders have intrinsic value, and no sets of interests is assumed to dominate the others.

2.2.3 The stewardship theory

The stewardship theory starts from the premise that organizations serve a broader social purpose than just maximizing the wealth of shareholders. It holds that corporations are social entities that affect the welfare of many stakeholders. Stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives (Steward, 1990).

Successful organizations are judged by their ability to add value for all their stakeholders. Some scholars consider the natural environment to be a key stakeholder (Dunphy et al., 2003). Stakeholders can be instrumental to corporate success and have moral and legal rights (Donaldson & Preston, 1995)

The stewardship theory suggests that a firm's board of directors and its Chief Executive Officer (CEO), acting as stewards should be motivated to act in the best interests of the firm rather than for their own selfish interests. This is because, over time, senior executives tend to view a firm as an extension of themselves (Clarke, 2004). Therefore, the stewardship theory argues that, a firm's top management cares more about the firm's long term success.

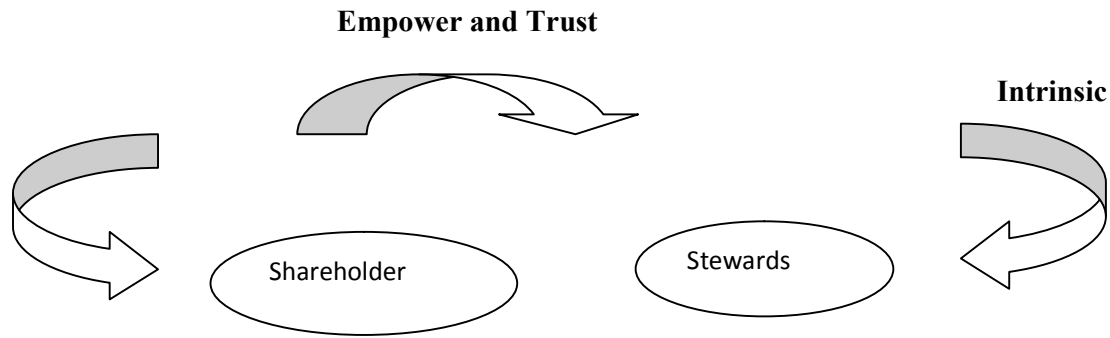
According to Freeman (1984) when stakeholders get what they want from a firm, they return to the firm for more, therefore, corporate leaders have to consider the claims of stakeholders when making decisions and conduct business responsibly towards the stakeholders. The participation of stakeholders in corporate decision-making can enhance efficiency and reduce conflicts (Rothman & Friedman, 2001).

According to Kaptein, Van and Tulder (2003), corporations adopt reactive or proactive approaches when integrating stakeholders' concerns in decision making. A corporation adopts a reactive approach when it does not integrate stakeholders into its

corporate decision making processes. This results into a misalignment of organizational goals and stakeholder demands. Stewardship is about choosing to provide service over self-interest. It begins with a willingness to be deeply accountable for a body larger than self for a team, an organization, a community (Mulili, 2010).

On the same emphasis of selflessness Nofsinger (2007) state that stewardship require employees and management of any institution to be deeply accountable for the outcomes within our organizations without trying to control others or trying to take care of them. It requires a redistribution of power and privilege, moving choice and resources closer to the edges of the organization. Some of the kinds of things leaders can do to become stewards include, giving choices to people at the edge as much as possible, meeting in a circle, not auditoriums. Circles allow people to see and talk with each other. Auditoriums are for people to be talked at, stop performance appraisals where bosses evaluate their subordinates, peers should be talking about how we're doing together. In addition one should let of the idea that everything needs consistency. There are just a few areas that need it, like how you report finances. Eliminating the privilege system should also be a priority bigger and nicer offices should not be given to only those officers at the top. A top manager that has a special parking spot should give it up. A team leader willing to adopt stewardship theory should be willing to say that though he/she may not know what is best for every employee and to ask them what they think and listen to what they have to say.

Figure 2.1: The Stewardship Model



Source: Steward, 1990

2.3 Services at Public Sector

Abdullah and Zamhari (2013) the public service is an activity or series of activities, which is conducted to meet a service needs; it is administrated by the laws for every citizen and resident for the goods, services, and or administrative services provided by public service providers.

Agus, (2007) stated that the core of public service is the attitude of being helpful, friendly and professional in providing services or products from a certain agency that satisfy the society.

Anderson, (1995) also said "public service is the provision of the services performed by the government as state officials to meet the needs of the community (the public) in accordance with relevant regulations. Public Service Unit is working unit or serving office on government agencies, which is directly or indirectly giving services to the customers.

The essential requirements to create better public services according to Birori (2014) are: Leader Commitment, that is technical efforts that can be done by the officers always require the support of decision-makers (the leaders) both in the local and in the central government. It means that the commitment is intended to be a strong and

consistent desire to make continuous improvements. This commitment must be followed by a policy, a similar decision in relation to the allocation and utilization of resources in order to improve the quality of public services. Changes in the mindset of the service providers are the beginning of all efforts to improve and have a very big influence to the overall process of improving public services.

Improving the quality of public services is difficult to be achieved when the participation of user is still low. The most important aspects of service user participation is their aspiration for variety, quality and cost of service delivery. Otherwise, it is very likely that the organizers and executors of public service will organize and implement services that actually produce something that is not needed or not desired by the users of the service.

Birori, (2014) continue to explain that the key to success for improving public services is mutual trust between the person in charge, organizers and officers of public service with their community of user. Mutual trust will generate positive communication and interaction and create more meaningful service in the administration and implementation process. The main obstacle encountered in the effort to improve the quality of service is lack of openness or transparency which is not owned by either the service provider or the service recipient. Transparency means the willingness to accept complaints or criticisms and at the same time to take real action to improve those things.

According to Glaser (1999) the availability of the budget is regarded as a key strategy to be successful in improving the quality of the public services. An attempt to cover up the real problem which exists through defensive mechanisms will deceive all parties away from the solution and appropriate remedial action (Gowan, Seymour, Ibarreche and Lackey (2001)

Being realistic and fast (speed) is equally critical in order to give the real impression, which is fast, easily perceived, the changes are observable and beneficial to the user of community services. It has to be believed that people always have sufficient awareness and tolerance to the limit ability of the organizers and executors of public services that they may not resolve the entire issue at once. The real action, though simple, is much better assessed and more valuable than a great action but it is still hold out the new promise and it can not necessarily be realized (Hsiao & Lin, 2008). It is an obligation to give feedback as soon as possible on each case which has received and requested from the public. If people were asked (as respondents) to give an opinion (vote), do not put off too long to notify them the result of the survey as a feedback. That is why in some cases, scientific surveys with the scientific method often gives a results that are not too easy to be processed and as a feedback cannot be understood by the respondents.

Generally, no one is ever happy with the complaint against him/herself. Everyone has to start to learn to understand that criticism, complaints (in general) is more honest than praise or flattery. (Ilhaamie, 2008).

2.4 Corporate Governance and delivery of Education, Social and ICT Services

According to Kenya Law reports (Urban Areas and Cities Act No. 13 of 2011) , Municipality boards have a responsibility to monitor the impact and effectiveness of any services, policies, programmes or plans and to promote a safe and healthy environment. The board shall ensure provision of services to its residents. According to Auriol, Emmanuelle, Blank and Anymeric (2013) Health and Social Care (HSC) organizations and special agencies have a statutory duty to provide quality services to public.

To support good social care governance arrangements there is need to have a structured approach to the sharing of relevant information across the whole organization. There has to be clarity about what information should be shared between professionals, with managers, with regulatory bodies and other agencies (German Development Corporation, 2012)

Carl, Kock , Juan, Santalo, and Luis Diestre (2012) communication with and feedback from service users should assure the quality of services and, by informing future strategic and operational plans, improve coordination and planning. According to Walls et al (2012) some of the key social concerns that relate to corporate governance include diversity that is the level of inclusion in a company's recruitment, Human rights practices and Consumer protection

The writers Barney and William (2008) on commenting for the need to address ICT matters stated that in a rapidly changing environment, there is value in the ability to reconfigure the firm's asset structure and to accomplish the necessary internal and external transformation

2.5 Corporate Governance and delivery of Public Health Services

In promoting, protecting and improving health and social well being of all residents good health and social wellbeing is achieved for all (Eeckloo, Gustaaf , Arthur & Vleugels, 2003) As a result of multiple developments in health care and health care policy, hospital administrators, policy makers and researchers are increasingly challenged to reflect on the meaning of good hospital governance and how they can implement it in the hospital organizations (Fresh fields' et al, 2009)

Most healthcare facilities in Kenya and at county level are public or non-profit which differentiates with profit making and more so in ownership. According to (Freshfields 2009) Governance of non-profit hospitals starts from a totally different situation:

since there are no real owners, the emphasis shifts from the shareholders to the stakeholders. As health care is a social good, each group of stakeholder's merits recognition of its interests, and not merely because of its contribution to the added value of other groups. The writer continues to note that together with a clear ownership structure, non-profit health care institutions also lack the principle of maximization of profit. In corporations, profitability and share value constitute the most important criterion to assess decisions. In hospitals the objectives are less unequivocal and often contradictory. The main objective is of course to provide qualitative specialized care. But next to this, hospitals must also pay attention to the accessibility of this care and the financial equilibrium of the hospital's exploitation.

According to (Eeckloo et al, 2003) the principles of good governance in the management of Belgian hospitals is anchored on three main objectives, improving the societal embedment of the hospital activities, incorporating medical staff interests in hospital governance and increasing the concordance between responsibility and power of decision at all governance levels. The author further explain that the Hospital Board is the supreme internal supervisory body of the hospital. To that end, it must be composed of independent members.

The board must guide and counsel the Executive Committee, which is the central decision-making body. As a sign of good corporate governance a healthy services must be guided by a clear policy agreement (Freshfields et al, 2009)

2.6 Corporate Governance and delivery of Water Services

According to German Development Corporation, (2012) Water Service Providers are appointed as agents of the water service boards and are supposed to operate in a manner that will maximize efficiency in the provision of water services and provide satisfaction and safety to all water service consumers, taking into account equity and

sustainability. Cost effective and efficient management and operation of water services can only be realized if the leadership in the water sector institutions is guided by the tenets of good governance. In the institutional set up, good governance is embedded in the tenets of corporate governance

In the Water services sector good corporate governance requires that boards and senior management of the Services Boards and water service providers must govern their entities with integrity and enterprise in a manner which entrenches and enhances the objectives agreed under the license and the service provision agreement (Kock , Santalo & Diestre, 2012)

The principles of corporate governance need to be embedded in the water services sector so as to ensure the profitability and efficiency of water services delivery, create ethical business enterprises and their capacity to create wealth and employment, ensure the long-term competitiveness of the water sector, ensure the stability and credibility of the water sector financially, improve relationships between the different players in the water sector so as to be able to deliver quality , affordable water in a sustainable manner and to improve the relationship between such water enterprises and their various stakeholders comprising shareholders, managers, employees, customers, suppliers, labour unions, communities and providers of finance (German Development Corporation, 2012)

According to German Development Corporation (2012) the water boards should be socially responsible and have due regard for the interest of all stakeholders and the community within which they operate. The Board of Directors should monitor the social responsibilities of the company and promulgate policies consistent with the company's legitimate interests and good business practices.

Commenting on the causes of poor governance in water management Freshfields et al (2009) noted that the water sector is especially vulnerable to poor governance as well as corruption. Procurement processes involving large amounts of public money and investment decisions, characterized by discretion and non-transparency, open the door for undue interference and capture. The monopolistic nature of service delivery prevents competition and, when coupled with the failure to recover costs and the need for subsidies, may lead to inefficiency.

2.7 Corporate Governance and delivery of Environmental Services

As the furore surrounding the threat of climate change and the depletion of resources increase, so are the investors becoming increasingly aware of the need to factor sustainability issues into their investment choices. The issues often represent an external factor that influences the functioning and revenues of the company that are not exclusively affected by market mechanism.

UNEP (2005) states that the disposal of industrial waste has to be regulated at all levels such that the risks associated with toxic disposal are minimized and to discourage and curb poor waste management. Walls, Berrone and Phan (2012) were of the opinion that sustainability has become the crucial element for investors in making corporate decisions.

2.8 Corporate Governance and Delivery of Agricultural services

Federal Agricultural Mortgage Corporation (2014) developed corporate governance guidelines to assist Agricultural board in the exercise of their responsibilities and to serve the best interest of farmers. The guideline constituted a number of features. To start with the guidelines outlines the directors responsibilities, it states that the primary responsibility of the Board is to exercise its business judgment to act in good faith and in what it reasonably believes to be the best interests of farmers and other

shareholders. The responsibilities of the Board include, but are not limited to providing advice and counsel to the Chief Executive Officers of firms that deal with farmers. It is also the responsibility of the farmers Boards to select, regularly evaluating the performance of, fixing the compensation of, and, where appropriate, replacing the CEO and the other principal senior executive officers.

Overseeing farmers boards overall business and strategic plans, operating goals, and performance to evaluate whether the business is being properly managed, reviewing and approving boards financial objectives and major corporate plans and actions, reviewing and approving major changes in the appropriate auditing and accounting principles and practices and providing oversight of internal and external audit processes and financial reporting. Kaptein, & Tulder (2003) noted that the directors should recognize that candor and the avoidance of conflicts in fact and in perception are hallmarks of the accountability owed to the shareholders. Directors have a personal obligation to disclose any potential conflicts of interest to the chairmen of the Boards and the CEOs prior to any Board discussion or decision related to the matter and, if the Chairman and/or CEO in consultation with legal counsel determines a conflict exists or a conflict is likely to be significant, then they should all take precautions to pre-empt and neutralize such conflict (German Development Corporation, 2012)

The CEO and other key members of management regularly attend Board meetings by invitation. In addition, non-management directors will meet in regularly scheduled executive sessions without management present to discuss issues relating to management performance and any other issue that may involve a conflict concerning management (Bijman & Dijk 2010)

2.9 Literature review summary

This study was basically guided by three major theories Resource dependency , stakeholders and Stewardship theories but more inclined to the later. Resource dependency theory lays emphasis on the role of management in providing linkages to both internal and external environments. The stewardship theory borrows much from philosophy, ethics, politics, economics, law and organization science knowledge. According to the theory the internal and external stakeholders are critical to survival and growth of any corporate. Much attention is paid to stewardship theory which places the stake holders at the centre of the success of any organization and the need for management to act in the best interest of all players other than self interest. It attributes the misunderstanding and conflicts between the management and stakeholders as the major cause of ailing organizations.

The provision of services in public sector is to some extent distinct. The service providers in the public sector should be helpful, friendly and professional. It calls for commitment and sacrifice by all parties as the ultimate purpose may not to make profits but to satisfy a critical and basic need. The participation of service recipients is of essence. The service providers should continuously communicate with their customers and provide clear service standards.

Clearly a lot has been researched and documented on corporate governance in general and provision of services in the public sector, however no much linkage has been created between the two practices. Much of the literature fail to show the linkage or relationship between corporate governance and quality of service provided by both public and private organizations, thus there exist a gap. It is the existence of this gap that the study delved on.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section provides details on methods that were applied by the researcher to carry out the investigation, specifically what was done, how it was done and by whom. The items of this chapter are Research design, Population, Sample design, Data collection and Data analysis

3.2 Research design

This study used descriptive cross-sectional research design. Cross-sectional studies are carried out at one time point or over a short period, they are usually conducted to estimate the prevalence of the outcome of interest for a given population (Bland, 2011)

The research design is cost effective; it facilitates rapid collection of data from the sample population and enabled the researcher to understand the population from the sample. The design is also appropriate as it provided an elaborate explanation of the subjects of investigation that is corporate governance and service delivery across a wider and deeper spectrum.

3.3 Population

The target population consisted of heads of the departments within the Ruiru sub county. The departments are Education, social services and ICT, Environment, Water, Agriculture and Education. The heads of department provide an interface between the top Management which include Boards and lower level employees and customers at different levels. To some extent the department heads are policy implementers. The study also targeted the clients/customers who are resident of the sub county and who are conversant with service delivery levels of each of the sub county department.

3.4 Sample design

The study consisted of two types samples, the first sample consisted of the service providers represented by all the 5 heads of department within Ruiru Sub County, a questionnaire was administered on this heads of departments. The heads of departments represent key service providers, they act as an interface between the top management, middle level employees and customers they have a much wider comprehension on the customers, they have a much deeper understanding and likely to be less bias on how they perceive the influence of corporate governance on the quality of the service provided by the sub county as middle level managers

The second sample included 108 customers (interviewees) who were randomly selected from 359 subjects of the average customers that visit the five departments of the sub county on a normal working day (Center for Sustainable Urban Development, 2014)

To arrive at a sample of 108 interviewees the researcher applied stratified sampling techniques. The target population of customers is not homogeneous as the needs of customers vary; the technique therefore ensured that each group of customer is represented in the sample.

The study included 30% of the respondents from each stratum as the sample. Kerlinger (1983) stated that a sample size of 10% of the target population is large enough so long as it allows for reliable data analysis. Table 3.1 shows the sample structure.

Table 3.1: Sample Structure

S/N	Department	Customer Pop.	Sample (30%)
1	Education , Social services and	80	24
2	Public Health	70	21
3	Water Services	75	23
4	Environment	71	21
5	Agriculture	63	19
Total		359	108

3.5 Data collection

Structured and unstructured questionnaires were used as the main tools for collecting data. The selection of this tool was guided by the nature of the data collected, time available and objectives of the study. The researcher was basically interested in views, opinion, perceptions, feelings and attitudes of the respondents on the extent to which corporate governance influences the quality of service delivered by Ruiru Sub County.

The researcher was personally involved in the data collection; he was assisted by 2 trained research assistants. To strengthen the reliability and validity of the data collection process all the questionnaire for all the sampled customers/clients were administered in the morning session between 9 and 11 o'clock and a similar working day

3.6 Data Analysis

The researcher used both Descriptive and Inferential data analysis techniques. In applying descriptive statistics the researcher applied the mean to arrive at an average occurrence, the mode to determine the most frequent occurrence or repeated

occurrence, median most central occurrence and variance which measures the average of the squared differences between observation and means.

Inferential data Analysis techniques were used to draw conclusions concerning the relationships and differences. The techniques were applied to measure the degree of association between corporate governance and quality of service delivered by the sub county.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Customer's Responses

4.1.1 Socio-Demographic Information of the customers

The results of the findings show that majority of the respondents among customers were males representing 60.0% while 40% of the respondents were females.

4.1.2 Customer Service Standards

Table 4.01: Corporate governance influence on customer service standards

***For reference regarding mean, mode and median; 2=Not Sure, 1=Disagree,**

3=Agree

		Count	Column Valid N %	Mean	Median	Mode	Variance
Staff competence in providing services	Disagree	42	41.2%				
	Not sure	12	11.8%				
	Agree	48	47.1%				
	Subtotal	102		2	2	3	1
Staff courtesy	Disagree	17	16.8%				
	Not sure	34	33.7%				
	Agree	50	49.5%				
	Subtotal	101		2	2	3	1
Staff respect for customers	Disagree	21	21.0%				
	Not sure	21	21.0%				
	Agree	58	58.0%				
	Subtotal	100		2	3	3	1
Timeliness of service delivery	Disagree	32	32.7%				
	Not sure	25	25.5%				
	Agree	41	41.8%				
	Subtotal	98		2	2	3	1
Staff ability to do what they promise to do	Disagree	37	35.9%				
	Not sure	32	31.1%				
	Agree	34	33.0%				
	Subtotal	103		2	2	1	1
Fair treatment of all the customers	Disagree	31	32.0%				
	Not sure	30	30.9%				
	Agree	36	37.1%				
	Subtotal	97		2	2	3	1
Taking individual circumstances of the customers	Disagree	27	27.6%				
	Not sure	32	32.7%				
	Agree	39	39.8%				
	Subtotal	98		2	2	3	1
Staff handling of the customer complaint	Disagree	27	26.5%				
	Not sure	26	25.5%				
	Agree	49	48.0%				
	Subtotal	102		2	2	3	1
Friendliness of the payment process	Disagree	26	26.3%				
	Not sure	32	32.3%				
	Agree	41	41.4%				
	Subtotal	99		2	2	3	1
Errors in service delivery	Disagree	38	36.9%				
	Not sure	34	33.0%				
	Agree	31	30.1%				
	Subtotal	103		2	2	1	1
The caring of the service providers	Disagree	28	27.7%				
	Not sure	26	25.7%				
	Agree	47	46.5%				
	Subtotal	101		2	2	3	1
Staff politeness to customers	Disagree	25	24.5%				
	Not sure	27	26.5%				
	Agree	50	49.0%				
	Subtotal	102		2	2	3	1
Staff responsiveness to customers	Disagree	24	23.8%				
	Not sure	27	26.7%				
	Agree	50	49.5%				

	Subtotal	101		2	2	3	1
Knowledge level of the service providers	Disagree	22	21.8%				
	Not sure	26	25.7%				
	Agree	53	52.5%				
	Subtotal	101		2	3	3	1
Poor response to service failure	Disagree	36	35.6%				
	Not sure	26	25.7%				
	Agree	39	38.6%				
	Subtotal	101		2	2	3	1
Unethical service problems	Disagree	39	39.0%				
	Not sure	34	34.0%				
	Agree	27	27.0%				
	Subtotal	100		2	2	1	1
Team work	Disagree	19	18.8%				
	Not sure	24	23.8%				
	Agree	58	57.4%				
	Subtotal	101		2	3	3	1

On matters pertaining staff competence in providing services, the customers had different opinions. The results shows that 41.2% customers disagreed, 11.8% were not sure while 47.1% agreed that the services were provided in a competed manner. On average majority of the respondents were not sure as represented by a mean score 2. The findings also indicate a mode of 2 which imply that the most central or middle response was not sure. The most frequent response of whether corporate governance influences competence of the staff providing services was 3, which translates to agreeing that there corporate governance influences staff competence. Additionally, 16.8% said that the staff members were not courteous but 49.5% agreed that these staff members were courteous and 33.7% were not sure on the issue. On the question of staff respect for customers 21.0% said staff was not respectful, 21.0% were not sure while those who agreed that staff was respectful was 58.0%. Moreover 39.8% of the customers said that staffs were good at taking individual circumstances of the customers but 27.6% disagreed. Further 30.1% said there were errors in service delivery, 36.9% disagreed and 33.0% were not sure. Staff politeness to customers was noted by 49.0% of the customers as opposed to 24.5% who did not. Lastly, team work was also hailed by 57.4% of the customers.

4.1.3 Access to service and Facilities

Table 4.02: Corporate governance influence on Service access and facilities

***For reference regarding mean, mode and median; 2=Neutral, 1=Disagree, 3=Agree**

		Count	Column Valid N %	Mean	Median	Mode	Variance
Making appointments with the staff that provides services	Disagree	44	43.1%				
	Not sure	14	13.7%				
	Agree	44	43.1%				
	Subtotal	102		2	2	1	1
Parking space availability	Disagree	25	24.0%				
	Not sure	25	24.0%				
	Agree	54	51.9%				
	Subtotal	104		2	3	3	1
Accessibility of the sub-county offices	Disagree	25	25.3%				
	Not sure	23	23.2%				
	Agree	51	51.5%				
	Subtotal	99		2	3	3	1
Comfort of sub-county offices and waiting areas	Disagree	36	35.6%				
	Not sure	28	27.7%				
	Agree	37	36.6%				
	Subtotal	101		2	2	3	1
Accessibility of the sub-county offices via telephone	Disagree	35	35.0%				
	Not sure	25	25.0%				
	Agree	40	40.0%				
	Subtotal	100		2	2	3	1
Accessibility of the sub-county offices via internet	Disagree	46	44.7%				
	Not sure	26	25.2%				
	Agree	31	30.1%				
	Subtotal	103		2	2	1	1
Convenience level in accessing services	Disagree	30	29.4%				
	Not sure	21	20.6%				
	Agree	51	50.0%				
	Subtotal	102		2	3	3	1
Accessibility of service delivery points	Disagree	25	24.0%				
	Not sure	27	26.0%				
	Agree	52	50.0%				
	Subtotal	104		2	3	3	1

According to the results 43.1% of the customers stated that corporate governance has influence on making appointment with the staff that provides service, while 43.1% felt otherwise, On the issue of accessibility of the Ruiru sub-county offices, 25.3% said that corporate governance influence accessibility of the offices while 51.5% were of the centrally opinion. The results also demonstrated that 36.6% of the

respondents who were majority felt that corporate governance influenced the comfort ability of the sub-county offices and waiting areas. Moreover, a majority of the respondents represented by 44.7% disagreed that corporate governance influenced accessibility of the sub county via internet while a 30.1% agreed that corporate governance had influence on accessibility via internet.

4.1. 4 Customer Communications

Table 4.03: Corporate governance influence on Customer Communications

***For reference regarding mean, mode and median; 2=Neutral, 1=Disagree, 3=Agree**

		Count	Column Valid N %	Mean	Median	Mode	Variance
Provision of consistent information/advice	Disagree	38	40.4%				
	Not sure	10	10.6%				
	Agree	46	48.9%				
	Subtotal	94		2	2	3	1
Provision of accurate information	Disagree	22	23.9%				
	Not sure	23	25.0%				
	Agree	47	51.1%				
	Subtotal	92		2	3	3	1
Provision of complete information	Disagree	39	37.1%				
	Not sure	19	18.1%				
	Agree	47	44.8%				
	Subtotal	105		2	2	3	1
Provision of up-to-date information	Disagree	34	32.7%				
	Not sure	18	17.3%				
	Agree	52	50.0%				
	Subtotal	104		2	3	3	1
Provision of clear written and oral information	Disagree	25	24.3%				
	Not sure	33	32.0%				
	Agree	45	43.7%				
	Subtotal	103		2	2	3	1
The ease to understand Documents and other information	Disagree	32	30.8%				
	Not sure	32	30.8%				
	Agree	40	38.5%				
	Subtotal	104		2	2	3	1
The ease to understand and fill service request forms	Disagree	32	31.1%				
	Not sure	33	32.0%				
	Agree	38	36.9%				
	Subtotal	103		2	2	3	1
How satisfactory questions are answered by service providers	Disagree	25	24.3%				
	Not sure	37	35.9%				
	Agree	41	39.8%				
	Subtotal	103		2	2	3	1
Handling of complaints	Disagree	36	35.6%				
	Not sure	19	18.8%				
	Agree	46	45.5%				

	Subtotal	101		2	2	3	1
The speed of responding to an enquiry	Disagree	35	33.3%				
	Not sure	31	29.5%				
	Agree	39	37.1%				
	Subtotal	105		2	2	3	1
Adequacy of communicating to customers	Disagree	32	31.1%				
	Not sure	26	25.2%				
	Agree	45	43.7%				
	Subtotal	103		2	2	3	1
Staff ability to listen to customers	Disagree	25	24.0%				
	Not sure	28	26.9%				
	Agree	51	49.0%				
	Subtotal	104		2	2	3	1
Efficiency of communication methods	Disagree	26	25.0%				
	Not sure	33	31.7%				
	Agree	45	43.3%				
	Subtotal	104		2	2	3	1

The customers had different opinions on the communication and how it has been influenced by corporate governance at Ruiru Sub-County. The results show that 48.9% agreed that corporate governance influenced the provision of consistent information/advice but 40.4% disagreed. Secondly, the majority customers of 50.0% felt that corporate governance influenced the provision of up-to-date information, while 32.7% disagreed. On the issue of provision of clear written and oral information 43.7% agreed that has an influence in providing clear written and oral information but 24.3% disagreed and 32.0% were not sure. A majority of customer respondents represented by 39.8% felt corporate governance influences the way questions are answered by service providers but 25 24.3% disagreed that there was influence. Lastly, most customers (43.3%) agreed that corporate governance influenced the efficiency of communication methods, while 25% felt that there was no influence were not efficient.

4.1.5 Overall Satisfaction with Service Provision

Table 4.04: Satisfaction with service provision

*For reference regarding mean, mode and median; 2= Neutral, 1= Dissatisfied, 3= Satisfied

		Count	Column Valid N %	Mean	Median	Mode	Variance
Timeliness of service delivery	Dissatisfied	42	40.8%				
	Neutral	20	19.4%				
	Satisfied	41	39.8%				
	Subtotal	103		2	2	1	1
Staff competence	Dissatisfied	29	28.2%				
	Neutral	34	33.0%				
	Satisfied	40	38.8%				
	Subtotal	103		2	2	3	1
Access and facilities	Dissatisfied	33	32.0%				
	Neutral	22	21.4%				
	Satisfied	48	46.6%				
	Subtotal	103		2	2	3	1
Communications	Dissatisfied	41	41.0%				
	Neutral	33	33.0%				
	Satisfied	26	26.0%				
	Subtotal	100		2	2	1	1
Overall evaluation	Dissatisfied	34	33.0%				
	Neutral	31	30.1%				
	Satisfied	38	36.9%				
	Subtotal	103		2	2	3	1

According to the results 39.8% were satisfied with timeliness of service delivery and 42 40.8% were dissatisfied. Furthermore 28.2% of the customers were dissatisfied with Staff competence, 33.0% felt neutral while the satisfied customers were 38.8%. On the issue of access and facilities 32.0% of the customers were dissatisfied, 21.4% were neutral and 46.6% of the customers were satisfied. Lastly, a majority of 41% were dissatisfied with the communications, while 26.0% were satisfied.

4.1.5 Correlation between Customer Service Standards and the Level of Customer Satisfaction on Timeliness of Service Delivery

The objective of this correlation was to determine the extent corporate governance influence affect satisfaction in timeliness of service delivery.

Table 4.05 Correlation between Customer Service Standards (C.S.S) and timeliness of Service Delivery (T.S.D) and Correlations

		T.S.S	T.S.D
T.S.S	Pearson Correlation	1	-1.000**
	Sig. (2-tailed)	.	.
	N	2	2
T.S.D	Pearson Correlation	-1.000**	1
	Sig. (2-tailed)	.	.
	N	2	2

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

The table above shows that there is a negative correlation between Customer Service Standards and Timeliness of Service Delivery. According to the results the correlation was -1.00 and thus a negative correlation. It is clear that there is an inverse relationship between level of satisfaction on how the services at Ruiru Sub-County are offered in a timely manner and the standards of customer service.

4.1.6 Correlation between Access and Facilities and the Level of Customer Satisfaction on Timeliness of Service Delivery

Table 4.06: Correlation between Access and Facilities (A.F) and the Level of Customer Satisfaction on Timeliness of Service Delivery (T.S.D)

		A.F	T.S.D
A.F	Pearson Correlation	1	-1.000**
	Sig. (2-tailed)	.	.
	N	2	2
T.S.D	Pearson Correlation	-1.000**	1
	Sig. (2-tailed)	.	.
	N	2	2

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

The correlation analysis between customer’s level of satisfaction on timeliness of service delivery and access and facilities show that there is a negative correlation between these factors. The results show a strong positive correlation of -1.

4.1.7 Correlation between Communication and the Level of Customer Satisfaction on Timeliness of Service Delivery

Table 4.07: Correlation between Communication and the Level of Customer Satisfaction (C.S) on Timeliness of Service Delivery (T.S.D)

		COMM	T.S.D
COMM	Pearson Correlation	1	-1.000**
	Sig. (2-tailed)	.	.
	N	2	2
T.S.D	Pearson Correlation	-1.000**	1
	Sig. (2-tailed)	.	.
	N	2	2

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

The study found that there is a negative correlation between the level of satisfaction on timeliness of service delivery and communication offered. The type of the correlation existing between these two variables was at -1; therefore, it was a strong negative correlation.

4.1.8 Correlation between Communication and level of satisfaction on staff Competence

Table 4.08: Correlation between Communication (COMM) and level of satisfaction on Staff Competence (S.C)

		S.C	COMM
S.C	Pearson Correlation	1	1.000**
	Sig. (2-tailed)		.
	N	2	2
COMM	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.	
	N	2	2

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

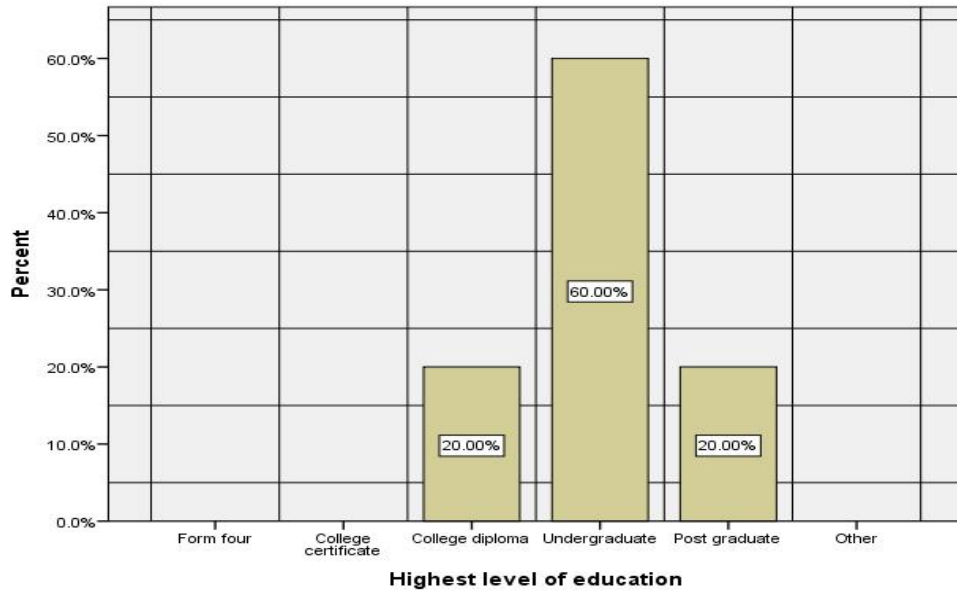
The result shows that there is a strong positive correlation (+1) between staff communication offered in Ruiru Sub-County and the level of customer satisfaction on the staff's competence.

4.2 Results for Heads of Departments (HODs) Responses

4.2.1 HODs Demographic Profile

Majority of the HODs representing (60%) were males, while 40% of them are females. Most HODs (60.0%) possess undergraduate qualification and only 20% of the HODs have post graduate qualifications. These findings clearly indicate that the Ruiru sub county managers are highly educated persons

Figure 4.1: HODs Level of Education



4.2.2 Customer Service Standards

Table 4.09: Corporate governance influence on customer service standards

***For reference regarding mean, mode and median; 2=Neutral, 1=Disagree,**

3=Agree

		Count	Column Valid N %	Mean	Median	Mode	Variance
Laid foundation for management oversight	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Promotion of ethical and responsible decision making	Disagree	0	0.0%				
	Not sure	1	25.0%				
	Agree	3	75.0%				
	Subtotal	4		3	3	3	0
Respect for the rights of shareholders	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Budgeting for effective quality service delivery	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Providing leadership in service delivery	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Training of employees providing services	Disagree	0	0.0%				
	Not sure	2	40.0%				
	Agree	3	60.0%				
	Subtotal	5		3	3	3	0
Monitoring and supervising of service provision	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Setting of clear service standards	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Development and enforcement of clear service policies	Disagree	1	25.0%				
	Not sure	0	0.0%				
	Agree	3	75.0%				
	Subtotal	4		3	3	3	1
Service delivery standards	Disagree	2	40.0%				
	Not sure	0	0.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Equipping for quality service delivery	Disagree	0	0.0%				
	Not sure	2	40.0%				
	Agree	3	60.0%				
	Subtotal	5		3	3	3	0
Impartiality in service delivery	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1

Development and enforcement of customer management policies	Disagree	1	50.0%				
	Not sure	0	0.0%				
	Agree	1	50.0%				
	Subtotal	2		2	2	1	2
Accountability in service delivery	Disagree	0	0.0%				
	Not sure	2	40.0%				
	Agree	3	60.0%				
	Subtotal	5		3	3	3	0
Continuous assessment and evaluation of services	Disagree	0	0.0%				
	Not sure	2	50.0%				
	Agree	2	50.0%				
	Subtotal	4		3	3	2	0
Diversity	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Promotion and protection of the rights of children and other vulnerable groups	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	4	100.0%				
	Subtotal	4		3	3	3	0
Safety standards in providing services	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Equity and sustainability enforcement	Disagree	0	0.0%				
	Not sure	1	25.0%				
	Agree	3	75.0%				
	Subtotal	4		3	3	3	0
Creating ethical business practices	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	5	100.0%				
	Subtotal	5		3	3	3	0
promoting of fair, just and equitable employment policies	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Transparency and accountability practices	Disagree	0	0.0%				
	Not sure	2	40.0%				
	Agree	3	60.0%				
	Subtotal	5		3	3	3	0
Incorporating service delivery standards in strategic plans	Disagree	1	20.0%				
	Not sure	0	0.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	1
Legal and regulatory compliance in providing quality service	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Staff competent and knowledge	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	5	100.0%				
	Subtotal	5		3	3	3	0

According to the results most of the Head of Departments, 75.0% were in agreement that corporate governance influence promotion of ethical and responsible decision making. On a different issue a majority of 60.0% of the HODs felt that corporate governance influences respect for the rights of shareholders while those who disagreed were 20.0%. Similarly 80% of the heads of department felt that corporate governance influence budgeting for effective quality service delivery only 20% were of the contrary opinion. Conspicuously 80% of the HODs were of the opinion that corporate governance has influence on provision of leadership in service delivery. In equal capacity some 80% of the HODs are of the opinion that corporate governance has influence on monitoring and supervision of service delivery. On setting service standards majority of the respondents felt that corporate governance has influence on setting of clear service standards.

The findings also indicated that corporate governance has influence on enforcement of clear service policies, service delivery standards, equipping for service delivery, impartially in service delivery, accountability in service delivery and continuous assessment and evaluation of the services. Other areas that are also influenced by corporate governance include promotion and protection of the rights of children, safety standards in providing services, equity and sustainability enforcement, creating ethical business practices, transparency and accountability practices, incorporating service delivery standards in corporate plans, legal and regulatory compliance in providing quality service and staff competence and knowledge

4.2.3 Access and Facilities

Table 4.10: Corporate governance influence on access and facilities

***For reference regarding mean, mode and median; 2=Neutral, 1=Disagree, 3=Agree**

		Count	Column Valid N %	Mean	Median	Mode	Variance
Maintenance of service delivery services	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	5	100.0%				
	Subtotal	5		3	3	3	0
Level/rate of technological change	Disagree	2	40.0%				
	Not sure	2	40.0%				
	Agree	1	20.0%				
	Subtotal	5		2	2	1	1
Management of risks	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Level of independence to make decisions at operational level	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Expansion of service infrastructure	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	5	100.0%				
	Subtotal	5		3	3	3	0
Resource mobilization and allocation	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	5	100.0%				
	Subtotal	5		3	3	3	0

A 100% of the heads of department stated that corporate governance influences maintenance of service delivery facilities. However, only 20% were of the opinion that corporate governance influences the level /rate of technological change. Some 80% of the heads of department were of the opinion that corporate governance influences management of risks of the facilities. Conspicuously some 60% of the heads felt that corporate governance influences the level of independence to make decisions at operational level. Equally significant 100% of the heads of department noted that corporate governance influenced the expansion of

infrastructure. Lastly all the heads of department stated that corporate governance influence resource allocation and mobilization.

4.2.4 Communications

Table 4.11: Corporate governance influence on communications

***For reference regarding mean, mode and median; 2=Neutral, 1=Disagree, 3=Agree**

		Count	Column Valid N %	Mean	Median	Mode	Variance
Customer communication policies	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
recommend modes of communication to customers	Disagree	0	0.0%				
	Not sure	2	40.0%				
	Agree	3	60.0%				
	Subtotal	5		3	3	3	0
Recognized and acceptable methods of communicating to customers	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0
Customer complaints/grievances handling systems	Disagree	0	0.0%				
	Not sure	2	40.0%				
	Agree	3	60.0%				
	Subtotal	5		3	3	3	0
Engagement of the society	Disagree	1	20.0%				
	Not sure	1	20.0%				
	Agree	3	60.0%				
	Subtotal	5		2	3	3	1
Providing advice to customers	Disagree	0	0.0%				
	Not sure	0	0.0%				
	Agree	5	100.0%				
	Subtotal	5		3	3	3	0
Information and reporting systems or controls designed to inform customers of their risks	Disagree	0	0.0%				
	Not sure	1	20.0%				
	Agree	4	80.0%				
	Subtotal	5		3	3	3	0

The results portray that 80% of the HODS agreed that customer communication policies were influenced by corporate governance. Additionally, 80% also agreed that there were recognized and acceptable methods of communicating to customers. On the same point 60.0% of the HODs respondent said that corporate governace influences complaints/grievances handling systems

4.2. 5 Overall Evaluation of the Quality of service provided by Ruiru Sub County

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Table 4.12: Level of satisfaction with Services provided by Ruiru Sub County

***For reference regarding mean, mode and median; 2= Neutral, 1= Dissatisfied,**

3= Satisfies

		Count	Column Valid N %	Mean	Median	Mode	Variance
Performance of Ruiru sub-county in providing quality service	Dissatisfied	1	20.0%				
	Neutral	2	40.0%				
	Satisfied	2	40.0%				
	Subtotal	5		2	2	2	1
Communication policy	Dissatisfied	2	40.0%				
	Neutral	1	20.0%				
	Satisfied	2	40.0%				
	Subtotal	5		2	2	1	1
Methods/Strategies of service delivery	Dissatisfied	1	20.0%				
	Neutral	3	60.0%				
	Satisfied	1	20.0%				
	Subtotal	5		2	2	2	1
Quality of services provided	Dissatisfied	2	40.0%				
	Neutral	1	20.0%				
	Satisfied	2	40.0%				
	Subtotal	5		2	2	1	1

The findings indicate that 40% of the HODs are satisfied with the overall performance of Ruiru sub county in providing services , 20% are dissatisfied while another 40% are not sure. Similarly some 60% are either dissatisfied or unsure of the communication policy of the sub county. In the same capacity 60% of the HODS are not sure of the different methods (strategies) applied in service delivery. Lastly 50% of the HODs are unsatisfied with the services provided by Ruiru Sub County.

4.2.6 Correlation between Customer Service Standards (C.S.S) and Overall Performances (O.P) of Ruiru Sub-County Government

Table 4.13: Correlation between Customer Service Standards (C.S.S) and Overall Performance (O.P) of Ruiru Sub-County government

		C.S.S	O.P
C.S.S	Pearson Correlation	1	1.000**
	Sig. (2-tailed)		.
	N	2	2
O.P	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.	
	N	2	2

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

The results of correlation analysis show that customer service standards (C.S.S) have a positive relationship with overall performance (O.P) of Ruiru Sub-County government. Evidently CG was noted to have a strong influence on customers' service standards consequently the influence can be defined as a relatively positive since majority of the HODs are satisfied with performance of Ruiru Sub County.

4.2.7 Correlation between Access and Facilities (A.F) and Overall Performance (O.P) of Ruiru Sub-County Government

Table 4.14: Correlation between Access and Facilities (A.F) and Overall Performance (O.P) of Ruiru Sub-County Government

		C.S.S	A.F
A.F	Pearson Correlation	1	1.000**
	Sig. (2-tailed)	.	.
	N	2	2
C.S.S	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.	.
	N	2	2

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

The table above shows the results of level of correlation between access and facilities (A.F) and overall performance (O.P) of Ruiru Sub-County government. The results show positive correlation between access and facilities (A.F) and overall performance (O.P).

4.2.8 Correlation between Communication (COMM) and Overall Performance (O.P) of Ruiru Sub-County Government

Table 4.15: Correlation between Communication (COMM) and Overall Performance (O.P) of Ruiru Sub-County Government

		COMM	O.P
COM M	Pearson Correlation	1	1.000**
	Sig. (2-tailed)	.	.
	N	2	2
O.P	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.	.
	N	2	2

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

Correlation analysis established that there is strong positive correlation between communication (COMM) and overall performance (O.P) of Ruiru Sub-County government. The findings clearly indicate CG Influence on communication has positively facilitated the overall performance of the sub county.

CHAPTER FIVE: SUMMARY CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provides a summary of the key issues under investigation as guided by the objectives of the study. The focus of investigation was to find out the extent to which corporate governance has influenced the provision of quality services at Ruiru Sub County. The quality service parameters include service provision standards, access and facilities and customer communication

5.2 Summary of the Major findings

5.2. 1 Corporate Governance influence on Service Standards

Among the customers the findings conspicuously showed that corporate governance has major influence on staff competence in providing service, staff courtesy, staff respect for customer's timeliness of service delivery, fair treatment of the customers, taking of individual circumstances of the customers, staff handling of the customers complaints and friendliness of the payment system. Equally corporate governance was found to influence caring of the service providers ,staff politeness to customers , staff responsiveness to customers , knowledge level of the service providers ,poor response to service failure and team work.

To the contrary the findings showed that corporate governance does not influence staff ability to do what they promise to do, errors in service deliver and unethical service problems.

The corporate governance influence has a negative implication on timeliness of service delivery as most customers were dissatisfied with the speed of service provision by Ruiru sub county staff.

The findings from the HODs on the influence of Corporate governance on customers service standards were equally outstanding since CG influences laid foundation for management oversight , promotion of ethical and responsible decision making ,respect for the rights of stakeholders , budgeting for effective quality service delivery , providing leadership in service delivery, training of staff providing services , monitoring and supervision of service provision, setting of clear supervision standards , development and enforcement of clear service policies , service delivery standards, impartiality of service delivery , customer management policies , accountability , assessment and evaluation of service , recruitment of key customer service employees , safety standards in providing services , ethical business practices, fair just and equitable employees policies and legal and regulatory compliance in providing quality service. The CG has a positive influence on the overall satisfaction with the performance of Ruiru Sub County in providing quality services. However the correlation indicated that it has negative influence on communication policy.

5.2.2 Corporate Governance influence on Service Standards on access and facilities of the Service

The findings from the customers also showed that CG influenced how the Ruiru sub-county staff s handled customer appointments, accessibility of the Ruiru sub-county offices, parking space availability, comfort of the sub county offices and waiting areas , accessibility of the county offices via the telephone, convenience level in accessing the services and accessibility of service delivery points. However CG has no influence on accessibility of the office via the internet.

Among the heads of departments it was exemplary clear that CG influences maintenance of service delivery facilities , management of risks , level of independence to make decisions at operational level , expansion of infrastructure and

resource allocation and mobilization. Corporate governance only fails to improve level/rate of technological change.

5.2.3 Corporate Governance influence Service Communication

The finding from the customers show that Corporate Governance has influence on the provision of consistent information and advice , provision of accurate information ,provision of up to date information , provision of clear written and oral information, handling of complaints, staff ability to listen to customers and efficiency of the communication methods. On a further analysis Corporate Governance influence has a negative implication on service delivery which is amplified by the customer's dissatisfaction.

The findings from the HODs are more the same on the influence of Corporate Governance on service communication. The CG influences customer communication policies, recommended mode of communication to customers, methods of communicating to customers , customers complaints/grievances handling systems, customers engagement, customer advice and informing/control systems of serving customers. Further analysis in this study established that there is strong positive correlation between communication (COMM) and overall performance (O.P) of Ruiru Sub-County government in providing quality services

5.2.4 Customer overall Satisfaction With the services provided by Ruiru Sub County as influenced by Corporate Governance

There is a significance level of dissatisfaction on part of the customers. The greatest area of dissatisfaction for the customers is in the timely provision of services. Customers are equally dissatisfied with Staff competence on the issue of access and facilities majority of the customers are also dissatisfied and equally majority are dissatisfied with the way the sub county communicates to its customers. Generally it

is clear majority were dissatisfied with service provision in the Ruiru Sub-County. Relying on the outcomes of the customer's response in this study it is clear that corporate governance has not positively contributed to the provision of quality services to the residents of Ruiru Sub-County.

5.2.5 HODs overall Evaluation of the Quality of Services Provided by Ruiru Sub County as influenced by Corporate Governance

Heads of Departments sampled were dissatisfied with communication policies that deal with providing services to Ruiru Sub County customers. However the HODs were fairly satisfied with the performance of Ruiru sub county in providing quality services while a good number are not sure whether they are satisfied or not satisfied with the different methods (strategies) of service delivery used by Ruiru Sub county. Half the HODs are satisfied with the quality of the service provided by Ruiru Sub County.

5.3 Conclusions

Corporate Governance heavily influences the quality of the service provided by the Government of the Ruiru Sub County, Kenya. Specifically the influence is observed in a number of parameters including the established customer service standards, Customer access to services, customer service facilities and systems of communicating to customers.

From the customers perspective corporate governance has positive influence on staff competence, accessibility to services and facilities and overall evaluation of the service. However it has a negative influence on the sub county ability to deliver services on time and customer communication.

Among the HODs Corporate governance positively influences the performance of Ruiru Sub county in providing services , but negatively influences communication

policy , methods (strategies) of service delivery and the overall satisfaction of the services provided by the sub county.

These results are vital because they provide a basis by which Ruiru Sub-County government can configure, generate and develop consistent, flexible and adoptive quality service delivery and corporate governance polices

5.4 Recommendations

County government should critically examine the structures and systems of serving customers to address and accommodate governance changes that have come forth with the new constitution to ensure customer responsiveness and progressive approaches

The implementation of the new constitution provides an opportunity for public entities to break from the past practices of inefficiency , corruption and insensitivity to key stakeholders, the county government should seize the opportunity to change course, by providing clear strategic direction and policies that can enhance governance. The shift can only be achieved if the county governments are also willing to adopt reform programs that ensure county governments have the right people, structures and systems.

The promulgation of the new constitution has shifted political, economic, technological and cultural opportunities and challenges; this means there is need to develop models of corporate governance that addresses the transformations

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