Effective management and performance in state owned corporations in Kenya: An assessment of Impediments to corporate governance practices by public managers and administrators

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Abstract: This paper describes the impediments to effective management and performance by corporate managers in public administration and governance.

Methodology: A survey questionnaire was administered to 200 corporate and executive managers in the scope of public administration and management. The researcher used descriptive and correlation method to assess the relationship between variables and corporate governance practices.

Findings: The study found that senior corporate management leadership is critical to the success of public administration and management in state owned corporations in Kenya. In this regard, considerable attention and support need to be provided by senior corporate management to ensure that the strategy execution in the public administration and governance reforms has been well understood in the agency.

Originality and value: The study supports the existence of four empirical dimensions in the formulation of effective performance and management by corporate managers. It brings a new perspective in terms of corporate management practices and emerging impediments.

Keywords: Corporate managerial practices, public performance and management, corporate governance

1.1 Introduction
The effective performance of public managers has been considered as one of the key areas that need urgent address, and further research on the best and viable ways to revamp and re-engineer the whole faces of public management and administration into new form of management development (Day, 2001). As Holman (2000) infers, the future of public management lies in dilemma, owing to the fact that public administrators and managers have been faced with stiff challenges, some of which have their background from government interference, lack of right personnel, conflicting interests between organizational objectives and individual needs, lack of proper statutes of total quality management among other related managerial needs and challenges (Gunter et al., 2010). Public sector systems in most countries are under pressure to deliver better public services to wide population of people. An improvement in public performance and service delivery in any country requires a clear understanding of the human resources characteristics as well as the current working of the public sector systems. As recently described by Tanya & Huub, (2008), Pedersen & Hartleg, (2008), provision of an adequate public sector workforce is now considered one of the most pressing global human resource issues worldwide. To recruit and retain public workers, attention to the professional satisfaction of these workers is essential if not relative. Professional satisfaction is now associated with roles and responsibilities, interdisciplinary relationship, remuneration issues, and other important factors like the public recognition of the public sector disciplines (Taylor et al., 2002). Public sector systems in any country or high performing economy depends highly on how well its public managers and administrators are constantly working with their employees to improve the quality of their services, which in turn helps in the improvement of the quality of the life of the citizens (Campbell et al., 2003). This is to mean that junior employees should be involved in key sectors of the public management of key areas that compose an organization despite having been assigned routine tasks of treatment. This will help foster the morale of such usually less motivated staff (Williams, 2000). A number of countries including Canada are hugely faced by staff turnover to other countries, and this is widely contributing to a number of challenges in key areas such as public sector systems. This therefore calls for the public sector managers and administrators to understand, key employee factors such as push factors and pull factors (Mabey & Ramirez, 2004). They ought to understand what motivates employees, in terms of morale, supervision, career development and paths for growth, and job security (Raelin, 2004). Accordingly, they also need to be fully aware of pull factors such as better opportunities offered by other countries and NGOs so as to retain their well qualified personnel. A clear orientation with the managerial drivers such rules, initiatives, integrity, immediate action and emotions will be relative to administrators to better understand the various obstacles that they face in their discipline (Mabey & Ramirez, 2004). These managers have been faced with numerous challenges and obstacles which in management could be termed as managerial obstacles facing public managers and administrators as well as leaders as argued by Raelin, (2004). Thus this research sought to look at challenges facing corporate managers with respect to effective
management and performance. The research focused on top management support, effectiveness of corporate committees, level of competency and professionalism exhibited by corporate managers and organizational culture responsiveness to corporate governance.

1.2 The Purpose of the Study
The purpose of this study was to study the performance of public administrators and managers in the world using Kenya as a case study. Conducted as a qualitative and quantitative investigation, the research uncovers the facts underneath the case which can impact positively the entire world political science with greater emphasis on public institutions as well public managers and administrators in corporate position. The study was channeled towards establishing some of the amicable solutions to challenges that face public managers and administrators with respect to effective management and performance.

1.3 Problem Statement
The rise of public managers and administrators has in a number of ways established the need to have review into their management theories and practices based on the professional code of conduct. Today’s administrative and management environment requires professionals to deal with dynamic markets, changing technologies and governance methods. In addition to national regulatory requirements, practitioners have to be more aware and ensure compliance with public administrative and governance rules and regulations. The main intent of this research therefore was to ascertain key factors affecting the effective performance and management in state owned corporations with respect to challenges facing corporate managers and administrators.

1.4 Research questions
The study will be guided by the following research questions.
(i) What is the effect of corporate management support on the effective performance and management of corporate governance?
(ii) How effective are the effectiveness of corporate managers in facilitating the effective performance and management of corporate governance?
(iii) What is the impact of competency and professionalism exercised by corporate managers on the effective performance and management of corporate governance?
(iv) What is the effect of organizational culture responsiveness on the effective performance and management of corporate governance?

2.0 Literature Review
This chapter is rather discursive and it focuses on some of the urgent management practices that have been worked on by scholars, academicians and researchers in the field of public sector management and administration, which could be relative to management development in public sector performance and effective delivery of managerial
functions as well as public services. The chapter throws greater emphasis on development of best management practices that are different from traditional forms of public administration, which have their birth from total quality management.

2.1 Top Corporate (Management) support
There is little doubt that senior management leadership is critical to the success of Public administration and management (Colley et al., 2004). The top management/corporate team (steering committee) must involve the project manager, any consultants working with the corporate committees, and agency staff to develop an effective strategy execution (Holman, 2000). In this regard, considerable attention and support need to be provided by senior corporate management to ensure that the strategy execution in the public administration and governance reforms has been well understood in the agency (Tanya et al., 2008). Furthermore, the executive management team is responsible for setting the vision and goals, bringing about collective commitment for change in process and organizational structures, and formulating the policies and strategies necessary to put a public administration and governance initiatives in place (Gunter et al., 2010). Day (2001) stipulates that efficient corporate management is one of the most effective preventive mechanisms for it promotes transparency and accountability, facilitates oversight and provides a good basis to prevent corruption. Rossi, (2010) opines that formal controls must first be defined, agreed, and applied top-down internally within an organization if they are to be effective. An organization with a genuine commitment to legal compliance is evidenced by top corporate management’s dedication to ethical corporate behavior (Krawiec, 2003). As cited in Heneghan and O’Donnell, (2007), a compliance culture in an organization must start in the boardroom and should be reflected and evidenced in directors’ own behaviours and attitudes. In a related argument, Obanda, (2010) stipulated that strong institutional support at top levels of government is needed by administration and management personnel in order to promote integrity, monitor the public administration process and apply governance law appropriately.

2.2 Level of competency and Professionalism of personnel
According to Taylor et al., (2002), professionalism in public administration and governance relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business and management activities. If the workforce is not adequately educated in administrative and management matters, serious consequences; including, breaches of codes of conduct occur (Tanya et al., 2008). Mannville and Ober (2003) also linked lack of a high degree of professionalism in public administration and governance to corruption, which ultimately impedes professional compliance. The corporate officers must be trained and aware about all regulations in relation to public administration and related procedures (Hui et al 2011). Rossi, (2010) asserts that ethical code is not only a deterrent of incorrect behaviour but also an enabler for all members of the organization to safeguard the ethical legacy of the firm. De Boer and Telgen, (1998) and Gilbert (1998) also attributed non-compliance in public administration and governance to lack of management professionalism in the public sector. Corporate managers professionals need to acknowledge and devise strategies for managing all these complex challenges (Williams, 2000). The professionals must be seen as champions of efficiency and effectiveness and must acknowledge the challenges and their various forms, and their sources. The requirements to educate professionals and equip them with new and higher-level skills have consequently become urgent (Ruin, 2001). A skill is the ability either to perform some specific behavioral task or the ability to perform some specific cognitive process that is related to some particular task (Pedersen and Hartley, 2008). However, Holman (2000) report that finding, hiring and retaining dedicated, energetic, and ethical employees with special skills is always hard. While we understand that professionalism is a key mechanisms for, and primary targets of institutional change, the precise role of professions and professional service firms in processes of institutional change remain under-theorized (Mabey, 2002).

2.3 Effectiveness of corporate managers
Different researches have been carried out to infer the role and position of different corporate managers in facilitating effective implementation of public administration and governance laws. Kpundeh (2008) argued through his research that open governance tend to play a critical role in ensuring the laws governing public administration and corporate governance are followed and implemented. Such open governance systems according to Malik (2008) are relative to fight corruption, to instill professionalism and ensure that accountability is observed in the administration processes. The positions and findings of (Ramon, 2001) connote that accountability constitutes a central pillar of any public administration system. Without transparent and accountable systems enabling governments and citizens to engage in a mutually responsive way, the vast resources channeled through public administration systems run the danger of
increased corruption and misuse of funds. Open governance can play an important role in raising awareness around public administration and other areas of public management to facilitate effective implementation of the proposed governance laws and regulations as noted from the findings of McNutt (2010). Another similar view was noted from the findings of Mallin (2004), which contend that the aim of this awareness raising is to exert political pressure: “Local or citizen efforts aim to pressure public officials to use public resources and powers for civic, not private, purposes”. The ways in which corporate practices and other open governance can influence public administration and law implementation are many. For instance in the research by Malik (2008) open governance and other convened associations are allowed to monitor all stages of the management process. From the research conducted by Pedersen and Hartley (2008) it is clear that introducing civil society or other independent observers has the potential to strengthen transparency and accountability in public administration and management. However, this is not without challenges. One pitfall is the possibility for misunderstandings on the part of the observers/committees as public administration and governance processes can be complex (Taylor et al., 2002).

2.4 Organizational culture and enforcement of public procurement rules and regulations

Different views have been postulated regarding the role of organizational culture in the public administration and governance processes. Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum. Basing on the competing values model (hierarchical culture), which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures (Wallace and Zinkin, 2005) as cited in McNutt (2010) although there is no single definition of culture, one can define it as ‘the structure of behaviors, ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of a particular group of people that provides them with a general design for living and patterns for interpreting behavior’ (Mackenzie, 2007). Williams (2000) maintain that the willingness to comply because of moral obligation and social influence is based, among others on the perceived legitimacy of the authorities charged with implementing the regulations. Hui et al; (2011) stipulated that legitimacy theory provides a sufficient and superior lens for understanding governance system. Williams (2000) adds that voluntary compliance is the result of personal or corporate ethics, motivation schemes and in most cases the result of corporate interest alignment with the legal provisions behavior. White (2009) also assert that moral obligation, may be a significant motivation explaining much of the evidence on compliance behavior. They also add that Groupthink has been found to have a serious implication on effective compliance. As cited in xxx the higher the compliance by others the stronger the individual’s incentive to comply. This is an indication of the role of social influence on compliance. Ramon (2001) further observes that, it is difficult to combat fraud and corruption in public administration and governance if a group of individuals in an organization collude with common interests in maintaining secrecy around their corrupt acts. Such acts relate strongly to organizational culture. As moral obligation and social influence are weakened, regulatory compliance and enforcement of administration and governance laws also weakens (Colley et al., 2004). According to Mallin (2004), culture plays a central role in the compliance process and associated outcomes. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty (Ruin, 2001) as cited in Manville and Ober (2003), employees are more likely to engage in compliance behaviours, which collectively will contribute to organizational compliance. Solomon and Solomon (2004) further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of governance reforms have resulted into enactment of public administration and governance rules and regulations.

3.0 Research Methodology

The study adopted descriptive survey research design. Descriptive survey design was be used in preliminary and exploratory studies to allow the researcher gather information, summarized, present and interpret it for purposes of clarification (Orodo, 2002). This design was ideal for this study as the researcher assessed impediments to effective corporate governance practices. The target population for this research was state corporations with distinct corporate structure of governance in Kenya and it specifically targeted Board members and executive management of selected institutions. The 40 Kenyan state corporations included approximately 200 managers in the executive managements (e.g., Board members and executive managers). Thus, we took the whole target population in this study. Prior to finalizing the questionnaire, industry professionals from the banking sector thoroughly refined it, assuring content validity,
relevance and representativeness. Next, it was pre-tested through 16 pilot interviews where an interview was carried out with the general manager or one of the deputy general managers from each bank. The respondents were informed of the confidentiality of their responses and purpose of the project which was for academic purpose. 200 questionnaires were distributed and only 189 questionnaires were returned to the researchers. The sum was reduced to a total of 188 usable responses, which in turn represents an overall response rate of 94.5%. These 188 usable responses were adequate enough to conduct a descriptive analysis and correlation analysis. The process of distributing the questionnaire was a drop-off approach (Aaker et al., 2008). Based on the logic of this method, the researchers hand-delivered the questionnaires to the executive management, explained to them the purpose of the study, stated the required procedures in filling out the questionnaire and answered any question in regard to any of the questionnaire’s statements. A questionnaire consisting of twenty questions was distributed among the sampled population. Three options were given to the respondents i.e., agree, neutral and disagree. The feedback was analyzed and tabulated using descriptive analysis and correlation analysis with the aid of simple computer applications like MS Excel and standard software.

4.0 Research Findings
The findings of this research were conducted in two separate analytical process which involved descriptive analysis and correlation analysis.

4.1: Descriptive statistics
The data analysis was carried out using descriptive analysis and measures of central tendencies, with the aid of SPSS. The results were presented in frequencies, mean, median and standard deviation. The results of analysis have been presented below. With regards to the variables developed from the conceptual framework, so as to build effective performance and management, it was established that corporate management support holds the highest consideration towards creation of effective performance and management and its absence becomes an impediment. This variable had, a frequency recorded 188, mean of 2.1897, median of 3.200 and standard deviation of 0.85870. The variable of effectiveness of managers was after analysis found to have a frequency of 187, a mean of 1.5773, median of 3.500 and standard deviation of 0.82989. The variable of Competency & Professionalism had a frequency of 188, mean of 1.5670, median of 3.200 and standard deviation of 0.81973. The variable of organizational culture responsiveness offered had a frequency of 186, mean of 0.6969, median of 3.600 and standard deviation of 0.80703.

4.2 Measurement of Research objectives using Correlation analysis
In order to effectively measure the objectives and the research variables as formulated in the conceptual framework, the researcher carried out a correlation analysis using the SPSS software. The analysis was carried out to find the underlying relationship between the dependent and independent variables respectively. Results from the analysis have been presented in different tables as reflected below.

4.3 Correlations between effective corporate performance effectiveness of corporate managers and Independent variables
After a correlation statistical analysis had been carried out on correlations between effective corporate performance effectiveness of corporate managers and individual variables, it was noted that these variables independently affect the overall performance of public sector corporations in Kenya. The relationships between Correlations between effective corporate performance effectiveness of corporate managers and top corporate management support showed a positive correlation of 0.346 and a significant level of 0.176. The relationship between Correlations between effective corporate performance effectiveness of corporate managers and effectiveness of corporate managers had a positive correlation of 0.172 and a significant level of 0.214. There was also a positive correlation between Correlations between effective corporate performance effectiveness of corporate managers and the competency & professionalism with a correlation of 0.167 and significant level of 0.90. A comparison between Correlations between effective corporate performance effectiveness of corporate managers and Organizational culture responsiveness offered also showed a positive correlation of 0.365 and significant level of 0.321. The summary of the findings has been presented in table below.
4.4 Correlations between effective corporate performance effectiveness of corporate managers and top corporate management support
The Pearson correlation showed 0.323 relationships and the significant level was 0.187. The relationship shows that there is a significant positive correlation between effective corporate performance effectiveness of corporate managers and top corporate management support. The two variables correlation between effective corporate performance effectiveness of corporate managers and top corporate management support implies that with the availability of corporate support, public institutions can become competitively and effectively managed with high standards of governance. The results have been shown in the table below.

4.5 Correlations between effective corporate performance and management and effectiveness of corporate managers
The Pearson correlation showed 0.465 relationships and the significant level was 0.190. The relationship shows that there is a significant positive correlation between effective corporate performance effectiveness of corporate managers. This showed that highly effective corporate managers in corporate governance would smoothly make relevant decisions. This variable has an effect on the management practices of public managers and administrators. The results have been shown in the table below.

4.6 Correlations between effective corporate performance & management and competency and professionalism
The Pearson correlation showed 0.178 relationships and the significant level was 0.008. The relationship shows that there is a significant positive correlation between effective corporate performance & management and competency and professionalism, implying that lack of competent professional in corporate governance would negatively thwart any effort to create effective performance and management. The results have been shown in the table below.

4.7 Correlations between Effective corporate performance & Management and Organizational culture responsiveness
The Pearson correlation analysis showed 0.213 relationships and the significant level was 0.109. The relationship shows that there is a significant positive strong correlation between Effective corporate performance & Management and organizational culture responsiveness. The results have been shown in the table below.

5.0 Discussions and implication of the research
Our analysis brings to light, the modern perspective of corporate management for public managers, with greater emphasis the challenges facing the effective performance and management of state owned corporations. The analysis of the data highlights how public management gathers multidimensional practices with varying complementary facets. The effective performance of public managers has been considered as one of the key areas that need urgent address, and further research on the best and viable ways to revamp and re-engineer the whole faces of public management and administration into new form of management development (Day, 2001). As Holman (2000) infers, the future of public management lies in dilemma, owing to the fact that public administrators and managers have been faced with stiff challenges, some of which have their background from government interference, lack of right personnel, conflicting interests between organizational objectives and individual needs, lack of proper statutes of total quality management among other related managerial needs and challenges (Gunter et al., 2010). Public sector systems in any country or high performing economy depends highly on how well its public managers and administrators are constantly working with their employees to improve the quality of their services, which in turn helps in the improvement of the quality of corporate governance in public institutions. From the findings of this research, it can be argued that that senior corporate management leadership is critical to the success of Public administration and management in state owned corporations. In this regard, considerable attention and support need to be provided by senior corporate management to ensure that the strategy execution in the public administration and governance reforms has been well understood in the agency. Similarly, corporate officers must be trained and aware
about all regulations in relation to public administration and related procedures (Hui et al 2011). Rossi, (2010) asserts that ethical code is not only a deterrent of incorrect behaviour but also an enabler for all members of the organization to safeguard the ethical legacy of the firm. In summary, the research has established some important implications, which public managers and administrators and other players should embrace so as to develop effective performance and corporate governance.

**Practical and Theoretical implications for effective corporate practices by public Managers in corporate governance practices**

Our research has implication for the corporate management practices by public administrators and managers. It shows that a specific focus should be regarding on the impediments public managers have had to deal with. Consequently, the case of public managers, a specific focus should be put for the impediments that are related to organizational culture and effectiveness of corporate managers. Our research has implications for social action in relation to the thorny subject matter of public administration systems. For instance an organizational context where public managers and employees are segregated and interfered politically could hinder their effort to perform and to access to top management position. Our research also has implications for public managerial action in the sense that it will be always beneficial for our organization to let express different sensibilities and approach to problem-solving within the framework to promote participative management among public managers and their employees.

**5.3 Limitations and Future Research**

In the context of public management and corporate administration and governance with respect to effective performance and management, additional research with large samples will be necessary to support the current findings and its validity. Also global level categories have to be included in the additional research to generalize the current research findings of the public performance and corporate management approaches.

**5.4 Conclusion**

This study is focused on the impediments experienced by public managers and employees as they seek to attain effective corporate management. Taken as a whole, our findings suggest that, there are some impediments associated with lack of corporate management support, lack of effective managers at the corporate levels and poor organizational culture responsive to develop effective systems of corporate governance. Even if these obstacles are in multiple levels to develop and promote public management and corporate governance skills, it is imperative to study with more depth obstacles faced by public managers in order to better understand how obstacles they face represent an impediment to effective performance in this new era of corporate governance.

**References**

Wheelen & Hunger, (2002), *Corporate governance and social responsibility* [Online]


Appendices

Acknowledgement

I wish to thank Almighty God for giving me the strength to conduct my research. I also wish to thank my family members and colleagues for their motivation and encouragement. Lastly, I wish to acknowledge Mr. Festus Mamba for his persistent effort to guide me through research and also in the choice of this journal for publication.

Figure 错误！文档中没有指定样式的文字。-1: Conceptual framework

Source: Author (2012)
Table 1: Summary of descriptive statistics of the research variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Valid Percentage</th>
<th>Mean</th>
<th>Median</th>
<th>STD Deviation</th>
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<tr>
<td>Corporate management support</td>
<td>188</td>
<td>94.00</td>
<td>2.1897</td>
<td>3.200</td>
<td>0.85870</td>
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<tr>
<td>Effectiveness of Managers</td>
<td>187</td>
<td>93.50</td>
<td>1.5773</td>
<td>3.500</td>
<td>0.82989</td>
</tr>
<tr>
<td>Competency &amp; Professionalism</td>
<td>188</td>
<td>94.00</td>
<td>1.5670</td>
<td>3.200</td>
<td>0.81973</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>186</td>
<td>93.00</td>
<td>0.6969</td>
<td>3.600</td>
<td>0.80703</td>
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</tbody>
</table>

Degrees of freedom=188
Source: Research Data (2012)

Table 2: Correlations between effective corporate performance effectiveness of corporate managers and independent variables

<table>
<thead>
<tr>
<th>Effective corporate performance &amp; Management</th>
<th>Correlation</th>
<th>Effectiveness of corporate managers</th>
<th>Competency &amp; Professionalism</th>
<th>Organizational culture</th>
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</thead>
<tbody>
<tr>
<td>Top corporate management support</td>
<td>.346</td>
<td>.172</td>
<td>.167</td>
<td>.365</td>
</tr>
<tr>
<td>Sig(1-tailed)</td>
<td>.176</td>
<td>.214</td>
<td>.090</td>
<td>.321</td>
</tr>
<tr>
<td>N</td>
<td>188</td>
<td>186</td>
<td>187</td>
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</tr>
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</table>

Source: Research Data, 2012

Table 3: Correlation between effective corporate performance effectiveness of corporate managers and top corporate management support

<table>
<thead>
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<th>Effective corporate performance &amp; Management</th>
<th>Pearson Correlation</th>
<th>Sig (1-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top corporate management support</td>
<td>.323</td>
<td>.187</td>
<td>188</td>
</tr>
</tbody>
</table>

Source: Research Data, 2012

Table 4: Correlations between effective corporate performance effectiveness of corporate managers

<table>
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<th>Effective corporate performance &amp; Management</th>
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<th>Effectiveness of corporate managers</th>
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<tr>
<td>Sig (1-tailed)</td>
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<td></td>
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<tr>
<td>N</td>
<td>186</td>
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</table>

Source: Author (2012)

Table 5: Correlations between effective corporate performance & management and competency and professionalism

<table>
<thead>
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<th>Pearson Correlation</th>
<th>Competency &amp; Professionalism</th>
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<tbody>
<tr>
<td>Sig (1-tailed)</td>
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<tr>
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Significance=1.0
Source: Research Data, 2012
Table 6: Correlations between Effective corporate performance & Management and Organizational culture responsiveness

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<th>Organizational culture Responsiveness</th>
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<tr>
<td>Correlation</td>
<td>.213</td>
</tr>
<tr>
<td>Sig (1-tailed)</td>
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</tr>
<tr>
<td>N</td>
<td>186</td>
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</table>

Significance level=1.0

Source: Research Data, 2012