



Vol. 3, Iss. 1 (2022), pp 155 – 167, Nov. 30, 2022. www.reviewedjournals.com, ©Reviewed Journals

THE EFFECT OF POLICY COMPLIANCE ON SERVICE DELIVERY IN STATE-OWNED ENTERPRISES IN THE ENERGY SECTOR IN KENYA

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Accepted: November 14, 2022

ABSTRACT

Government and private institutions all over the world greatly recognize the crucial role of service delivery in attaining a competitive and dynamic market. State-owned enterprises in the Energy sector are a major foundation upon which the economic, social and political development strategies are built on in order to actualize the vision 2030 as well as the big four agenda. They enjoy monopoly in provision of services to the public. However, despite reforms on public sector bureaucracy, the public still face many hurdles in accessing government service, the level of public dissatisfaction on service delivery is high and open government bureaucracy hasn't led to quality and sustainable service delivery. In addition, politicization of appointments of Board of Directors translating to insufficient competence and legal frameworks which subtly are inclined to privilege a few at the expense of the entire public, have tainted government image. This paper particularly established the influence of policy compliance on service delivery in State-owned enterprises. The target population was 124 suppliers, 5,107 end-user consumers, 1,817 employees in KPLC plus 480 employees in REREC and 30 employees in the Energy regulator (EPRA). A sample of 380 individuals/households was selected using a two-stage random sampling procedure comprising of proportionate stratified and simple random sampling techniques. Empirical data for this thesis were gathered using semi-structured questionnaire. The validity and reliability of the data collection tool was assessed to confirm the suitability of the tool for use in the study. Descriptive analysis, diagnostic test for multiple linear regressions and inferential analysis were conducted on the data set that had been gathered from the field. The findings demonstrated that policy compliance positively affected delivery of services. Management of state owned enterprises should enact policies to reinforce practices on aspects of leadership power, leadership motivation and leadership delegation. The human resource divisions of state owned enterprises ought to enact policy the buttress mutual trust, team spirit, sharing of information, openness, and sense of belonging. In addition, sufficient resources should be availed for strengthening information and communication infrastructure as one of the critical support system for enhancing the processes of value creation and delivery.

Key words: Policy, Compliance, Service delivery, State owned corporations.

CITATION: Chewa, J., Minja, D., & Njoroge, J. G. (2022). The effect of policy compliance on service delivery in state-owned enterprises in the energy sector in Kenya. *Reviewed Journal International of Business Management*, 3 (1), 155 – 167.

INTRODUCTION

Public service by the government helps in determining the quality of life, which cannot be tangibly measured by per capita income. Service delivery can be classified into three modes. The first one is based on where the end-user consumers can receive information, advice or make enquiries on an agency desk. The second mode is through written request by an end-user consumer through an email or a document to relay the message and once processed the end-user consumer is contacted. For instance, registration for power connectivity then finally, the third mode is a full service where the end-user consumer can receive a complete service based on their requests (Kuye & Akinwale, 2020).

Service delivery is usually linked to the performance of an organization through fulfilled organizational objectives and goals, addressing the needs of the client and other stakeholders. Globally, organizations strive to remain competitive by focusing on service delivery. Service delivery by the government involves providing the clients of the government with services (Puolokainen & Jansoo, 2019). In essence, government exists to ensure life is worth living through the provision of services to its citizens (Writer, 2019).

Delivery of services is expected to occur in a friendly atmosphere that is devoid of hindrances, interruptions or obstructions and further that service delivery should have attributes of consultation, information sharing, openness, accountability, participation, availability, accessibility, convenience, transparency, and timeliness (OECD, 2013). Despite, like many other countries in the world, concerns have been raised regarding the Public service in Kenya in relation to commitment, accountability, trust, transparency, and increasing desperation among the members of general public.

According to Koelble and LiPuma (2010), service delivery crisis has been caused by a range of institutional shortcomings that range from lack of enforcement, lack of skills among officials and incoherence in policy among levels of governments. Continuous evaluations of end-user consumer's need through surveys, addressing their concerns on real time and having proper channels for sharing the information to consumers on services availability and anticipated emergencies, aids in offering better services since it is structured based on end-user consumer's needs.

According to the organisation for Economic Co-operation and Development (OECD), challenges in service delivery are experienced all over the world (OECD, 2010). Institutions employ unqualified personnel who lack the technical skills in the delivery of services. Further they enact strict rules and regulations that hinder the delivery of service due to long and numerous procedures. This has paved way for corrupt practices, paying of bribes to facilitate the process of service delivery, which hinders the delivery of service (Chilunjika & Mutizwa, 2019). The provision of services by the government should exceed the customer's expectation in terms of effectiveness, promptness and efficiency. The effectiveness in service delivery involves doing what ought to be done while ensuring that customer satisfaction measures such as human interaction, service timing, quality, and speed are considered (Koech, 2016). The measures of service delivery for this study were internal measures such as effectiveness and efficiency of service delivery, service turnaround time and service quality on the basis of satisfaction.

Delivery of services is a dynamic process requiring enactment of reforms so as to catch up with the evolving processes in service delivery. Bureaucracy, on the other hand, should be able to embrace the changing waves in service provision in light of accessibility, especially with the innovation and technology applications. Therefore, to enhance the delivery of services calls for the need to address all factors that derails delivery. The change can be in the bureaucratic systems, or how the processes and work instructions are carried out, removal of rigid laws and systems. The change should prioritize the needs and interests of the members of public including their expectations in terms of reliability, credibility and accessibility.

State-owned enterprise (SOEs) or State Corporation is an institution established under section 3 of State Corporation Acts Cap 446, with the government controlling majority of the shares, established mainly to

improve service delivery to the public. Board of directors oversee the operations of the SOEs with general supervision of Ministries. The President appoints the board of directors and the Cabinet Secretaries for the Ministries.

The Ministry of Energy Kenya, whose SOEs are the focus of this current study, derive its core functions from the Executive Order No.1 of 2008 of the President (Revised June, 2018), that outline Thermal Power Development, National Energy Policy Development and management, Rural Electrification Programme, Security and Conservation, Energy Regulation, Geothermal Exploration, Hydropower Development and Development and Promotion of Renewable Energy as its core functions. In addition, under the Ministry of Energy, there are six Semi-Autonomous Agencies (SAGAs) namely, Kenya Power and Lightning Company Limited (KPLC), Kenya Electricity Transmission Company (KETRACO), Rural Electrification and Renewable Energy Corporation (REREC), Kenya Electricity Generating Company (Kengen), Geothermal Development Company (GDC), Energy and Petroleum Regulatory Authority (EPRA), and the Energy Tribunal.

The focus of the study was KPLC and REREC within the Ministry of Energy as their functions is to extend distribution networks to cover more end-user consumers both in urban slum areas and rural setups. KPLC traces its origin back in the 1920s when East African Power and Lighting Company was incorporated to generate and distribute electricity in Kenya. Later, the name was changed to KPLC through a special resolution sitting by shareholders in 1983. In 1997, electricity generation function of KPLC was split from transmission and distribution, giving birth to Kenya Electricity Generating Company (Kengen). Later, in 2007 and 2008, with the intention to speed up the implementation pace of rural electrification programme, the government established the Rural Electrification Authority (REA), currently REREC. Equally, the Kenya Electricity Transmission Company was established alongside Geothermal Development Company, to accelerate transmission infrastructure development and develop steam fields to reduce development risks, promoting development of geothermal electric power (KPLC Annual Report, 2010).

Despite the existence of several loan schemes, Stima loan under last mile project and slum subsidized connectivity, electricity connectivity continues to attract high connection payments under rural electrification program (Abdullah & Markandya, 2012; Were, 2016) . Engaging all Actors in the matter eases future challenges that may arise and helps in ownership of the projects (Were, 2016). This is however, expected to change with provisions of Energy Act (2019), which eases the process and cost of connectivity. Excessive bureaucracy is evidenced in payment of bribes to facilitate the process to acquire electricity, wastage of time and long queues. For instance, the employees of KPLC have been termed rude, incompetent and absentees with one having to pay for bribes to facilitate acquiring electricity thus unable to deliver high quality services to the citizens (Munoru, 2015). Despite the work instructions, already in place rules and regulations, the employees still engage in unethical practices which hinder service delivery.

In the past, the state enterprises has faced constitutional and structural reforms with the aim of enhancing efficiency of operation on market principles reducing the financial burden on the public and improve delivery of services to the public as part of the wider reforms in the public service (Mwongozo, 2015). KPLC adopted an action plan that sought to upgrade the quality of services offered and address the complaints by the public by setting up clinic to address end-user consumer's complaints that would facilitate the improvement of service delivery (KPLC, 2018). Despite the measures, cases of dissatisfactions in service delivery are still high.

Kenya's energy sector is a major foundation upon which social, economic and political development strategies have been conceived for realization of vision 2030. Its role on development of this country is paramount. To achieve the maximum output in the energy sector, it is a prerequisite to address the challenges of service delivery, which requires a transformational mind-set while conducting business to achieve vision 2030

(PTPRs, 2015). Therefore, this study provided an empirical analysis of the effect of policy compliance on delivery of services by state corporations in the energy sector.

LITERATURE REVIEW

Empirical Review

Policy Compliance and Service Delivery

Government bureaucracy has a major influence on policy formulation and implementation (Onyekwelu, Okpalibekwe & Dike, 2015). It highlights what is to be done, how to do it and who is the expected beneficiary. The rules and regulations are the main components of a formal organisation, which stipulate what employees of an institution have to do (Knill & Grohs, 2015). The foundation frameworks of bureaucracy put in place by a country influence its work instructions and reporting structures (Olsen, 2006).

Policy compliance in government bureaucracy is concerned with aspects of the selection process, rules and regulations and work instructions (Olsen, 2006). Government bureaucracy requires institutions to comply with the set policy (Knill & Grohs, 2015). To be able to address the issues pertaining service delivery, it is paramount to comply with policies enacted to govern selection process of competent employees who can strategize in meeting the goals of the company that is to make the end-user consumers happy. Rules and regulations entail specific guidelines on perspective of work in general and what one should do on the assigned duties (Olsen, 2006). They serve as guide in an organization and allow for uniformity among employees and consumer (Knill & Grohs, 2015). Technical and behaviour rules lay foundation on how employees conduct and carry themselves in the institution and draws the line on what is acceptable and what is constrained. Within bureaucratic firms, formalized system with a set of rules and regulations and work instructions allows the administration to operate in its full efficiency (Onyekwelu, Okpalibekwe & Dike, 2015).

The rules and regulations of an institution dictate the flexibility in dealing with situations, thus affecting the delivery of services (Alvinus, 2012). However, adoption of these rules and regulations in bureaucratic SOEs can easily lead the institution to be directly counterproductive especially when the situation demands swiftness (Alvinus, 2012). Despite the clear path that policies bring across in government agencies in ensuring order, one is expected to go through several bureaucratic channels before they can access the services. In Ghana for instance, the public service delivery of water and electricity supply is characterized by numerous bureaucratic channels before any approval is given, cumbersome procedures that frustrate the clients forcing some to abandon the search for the services (Alornyeku, 2011). The public is forced to engage in corrupt practices of giving a facilitation fee to quicken the process.

Work instructions define in details the particulars of how a job ought to be carried out. Rules and regulations are input to work instructions (Weylandt & ANTI, 2016). This means that the work instructions are formed from the rules and regulations that govern a SOE. The core target of work instructions is to guide the employee to follow a specific set up by the SOEs while performing their duties so as to become effective, efficient, ensure uniformity among employees in delivery of services while complying with the set rules and regulations (Ferrell & Fraedrich, 2016). Work instructions can be used in developing individual work plans and goals as long as there is proper alignment with to the rules and policies of the enterprise so as to efficiently and effectively delivery desirable services (Ferrell & Fraedrich, 2016). This provides a measure of what is working and what is to be improved. Work instructions are instrumental to ensure that the employees are guided while carrying out their duties thus countering errors that may arise and hinder the provision of service (Ferrell & Fraedrich, 2016). Work instructions also ensure there is consistency in the provision of service through uniform and guided processes and duties performed (Freeman, 2000). They further aid in identifying mistakes, possible risks and facilitate compliance to rules and regulations that would influence the delivery of service (Freeman, 2000). Work instructions are roadmaps that help an institution achieve the

desired outcomes by ensuring efficiency, consistency and predictability in provision of services (Warren, 2017). Therefore, work instructions should be in written form and followed by everyone (Roper & Schoenberger - Orgad, 2011). The formation of work instructions should allow for the employees to air their opinions on what facilitate offering of better services. However, bureaucratic organizations have been characterized by rigidity in work instructions. The strict adherence to rules, regulations and work instructions has led to the delay of services (Aliyu & Idris, 2016).

The compliance of the rules and regulations is biased and applies to only few. For instance, in the hiring process in SOEs, the appointment is based on corruption, favouritism and nepotism (Atieno, 2009). Traditionally, top jobs in state corporations were used by the government of the day to reward their political cronies (Atieno, 2009). Competent personnel in government agencies not only ensured satisfactory service delivery, but also the general performance of the institution. Effectiveness and efficiency in management of state corporations is highly dependent on the personnel competence (Chouhan & Srivastava, 2014). To be able to address the issues pertaining service delivery, it is paramount to employ competent employees who understand the needs of the organization to meet the end-user consumer expectations (Atieno, 2009). The employees should have a background technical expertise that aid in providing sound judgement and ensuring that the expected goals are met and surpassed (Atieno, 2009). In Kenya, appointments to board of directors in state-owned enterprise is done based on favourism, ethnicity, political favours, where little or no knowledge at the entire sector is considered (Atieno, 2009; Njagi, 2016). The continuous placing of employees and people who make the decisions concerning all stakeholders without the proper training and background knowledge would eventually see the fall of those state-owned enterprises.

Ileri (2016) conducted on a study on the effectiveness of appointments to board of directors (BOD) in SOEs based on Legal and Regulatory Framework in place. The study adopted qualitative approach in a survey composed of 300 respondents as the sample. The inquiry found out that the board members in the surveyed SOE had no job experience, no professional relevance and lacked requisite education. This highly affects service delivery due to the managerial capacity of the person(s) and the morale imposed on the employees. The study further noted that the selection was based on favouritism, ethnicity, political favours and little or no knowledge at the entire sector was carefully considered. While the policies in selection process maybe complied with, we cannot ignore the input of the government of the day in rewarding their political cronies (Atieno, 2009). The study by Ileri (2016) sought to provide an explanation on link between the appointments of board of directors and corporate governance. The current study however, focused on policy compliance and its influence on service delivery.

In another study, Njenga (2011) researched the strategies used by KPLC to reduce non-technical electricity losses by investigating the various strategies and factors that influence non-technical electricity losses in KPLC. The study used a case study design in gathering qualitative research data, and analysed the observations gathered in themes using content analysis. The revelations made by the study confirmed that non-technical electricity losses were caused by customers, who some of them were facilitated by KPLC employees. This finding illustrates that some employees in KPLC breached the code of conduct to oversee and facilitate irregularities (facilitating non-technical electricity losses) in the delivery of their services. In that regard this current study investigated the impact and effectiveness of rules and regulations, work instructions given to employees in KPLC and sister SOE, REREC, towards the realisation of quality service delivery.

Theoretical Literature Review

Bureaucratic Theory

The study adopted the Max weber model of bureaucracy which was founded by Max Karl Emil Weber otherwise today referred to as the father of bureaucracy in 1947. In this theoretical model, Weber illustrated in how an organization was governed foremost through structuring the organization into a hierarchy (Omweri,

2018). Further, clear rules, regulations and work instructions were put in place to allow for order in achieving the goals set. Finally, Weber envisioned maximized effectiveness and efficiency through professionalism, impartial relations and through technical competence. According to Max Weber (1978), Bureaucracy was a model of administration, characterized by formalized rules and regulation, division of labour, the hierarchy of authority and work instructions for formal selection, impersonal and career orientation. Weber identified two essential elements that guide bureaucracy. The elements include structuring an organization to form a hierarchy and having clearly defined rules that aid decision-making process. The elements benefit the organization in achieving the goals through their effectiveness, efficiency, and accountability in service delivery.

Max Weber being a sociologist was concerned with social organizations that would maintain social cohesion and at the same time achieve the set objectives of the organization efficiently. Max (1978) adopted concepts of leadership that were clearly defined in each level, following a set of rules and regulations while operating in the organization, division of labour so that employees worked based on their specialization and had a formal selection process. The main goal of Max Weber's theory was to ease the management of large organizations, promote the achievement of efficiency and be accountable to the people.

This theory suggested that adopting a clear hierarchy formed the basis of an organization planning and allowed for decision making which is centralized. Leadership hierarchy aided service delivery and also accomplished organizational mission through unified decision-making process, systematic discipline of workers and clear communication. The leadership hierarchy had a positive influence on the delivery of services of institutions but it was entirely dependent on the type of leadership endorsed from the top tier. A positive influential leadership from the top tier was to be replicated in other levels below and vice versa thus determined the effectiveness and efficiency of services delivered. Max Weber's theory is related to the first objective of the study on influence of policy compliance on service delivery in the Energy sector in Kenya.

The theory further emphasises the need for policy compliance in the quest for quality service delivery. Policy compliance entailed following a set of rules and regulations in the selection process, professionalism and work instructions. These aspects stipulated what employees of an institution were to do in ensuring conformity and order (Knill & Grohs, 2015). The rules highlighted the expected code of behaviour while performing work operations and also drew the line on what was constrained. A leader of a certain division was limited to the rules under his management division.

However, Weber's theory had been criticized following its negative impacts once it was exercised in extremes. Dynamics of leadership globally faced complex issues which paved way for the use of power to mischief common people, resulting to fund embezzlement, corruption, inefficiency and ineffectiveness in the pursuit for service delivery (Chilunjika & Mutizwa, 2019). The criticism on Weber's theory were summed up to, excessive bureaucratic powers in leadership which produced privileged groups who were more interested in achieving the interests of the few as to the common good (Dunleavy, Congleton, Grofman & Voigt, 2019). Omweri (2018) further asserted that excessive bureaucracy experienced radical, rigid rules and regulations that hindered the delivery of service creating no room for innovation and creativity.

Despite the hurdles bureaucracy experienced, its efficiency in managing large corporations has been crucial. A well-structured leadership hierarchy and flexible rules and regulations releases energy, allows creativity, enhances motivation, increases productivity and ultimately enhances service delivery (Omweri, 2018). Therefore, bureaucratic theory was useful in investigating the influence of Policy compliance on service delivery in the SOEs in the energy sector in Kenya.

METHODOLOGY

The study relied entirely on pragmatism research philosophy because it advocates for mixed-methods research that is deemed prudent for social research (Morgan, 2014). The study utilized both descriptive and explanatory

research designs using cross-sectional survey data that allowed for triangulation of data and thus increasing the validity of the findings.

This inquiry precisely focused on the two state corporations within the energy sector and the regulator of the corporations. Precisely, on survey was confined to operational personnel, junior level managers and senior level managers working in the head offices of KPLC, REREC and EPRA. Furthermore, suppliers and end-user consumers of KPLC and REREC served at the head offices of KPLC and REREC also constituted part of the population of the study. The study surveyed senior managers who reported to the chief executive officer. An aggregation of subjects comprising the population of this study was 7,558 distributed in the manner depicted in the tabulated data. Generally, the population of the study was distributed into 5138, 2390 and 30 subjects translating to 67.98 percent, 31.62 percent and 0.40 percent for KPLC, REREC and EPRA respectively. In particular, a majority of subjects in the population were associated with KPLC comprising of 20 senior management, 86 junior management, 1711 operation personnel, 76 suppliers and 3245 end-users. The least number of subjects in the population were attributed to EPRA with 5 senior managers, 9 junior managers and 16 operational personnel. The rest of subjects in the population were associated with REREC and comprised of 19 senior management, 83 junior management, 378 operation personnel, 48 suppliers and 1862 end-users. The sampling frame for this study constituted 7,558 subjects comprising of senior management, junior management, operation personnel of the two state owned enterprises and EPRA, and suppliers and end-users of KPLC and REREC. The sample size of 380 for the survey was determined by using Yamane (1967) formula for computation of sample size.

Survey constituted of primary data that was essentially gathered using a semi-structured questionnaires, a widely applied tool for collecting empirical information required for test hypotheses and drawing conclusions (Kothari, 2014). The questionnaire was structured into two broad sections for general and specific information. The general information section comprised of five questions that sought information relating to characteristics of the respondents involved in this study. The specific information section was intended to elicit information and responses on the observable aspects of the research variables necessary for responding the research objectives of this study.

In this study, four fundamental stages of quantitative data analysis including data preparation, summarization of sample characteristics, diagnostic tests of linear regression, and estimation of population measures were carried out.

The collected data was carefully examined for completeness, quality, and consistency. These data were coded and transcribed thus providing for computerised consistency checks and cleaning of data. Descriptive statistics including frequency and percentage distribution, sample mean and sample standard deviation were generated to aid in developing a concise summary of the defining observable features of the surveyed sample. The summary measures of the observed sample were presented in figures and tables. This summary measures were instrumental for carrying out further statistical analysis and testing of the hypothesized relationships between the research variables. Multiple linear regression model was adopted for this study. As has been pointed out by Helwig (2017), multiple linear regression model assumes a linear relationship between a single response variable and a set of predictor variables.

The effect of policy compliance on service delivery in state owned corporations in the energy sector was statistically analysed using multiple linear regression as shown in equation 1.

$$Y = \beta_0 + \beta_1 PC + \epsilon \dots \dots \dots 1$$

Where,

- Y= Service delivered
- β_0 to β_1 = Regression coefficients
- PC= Policy Compliance
- ϵ = Error term

FINDINGS AND DISCUSSION

Policy Compliance

Policy compliance was conceptualized as one of the fundamental dimension of government bureaucracy. Notably, policy compliance was empirically measured using rules and regulations, work instructions, and employee selection. The descriptive measures for central tendency and variation for the set of data gathered on policy compliance are presented in Table 1.

Table 1: Policy Compliance

Rules and Regulations	n	Min	Max	Mean	Std Dev
Rules and regulations provide clear guidelines on service delivery	305	1.00	5.00	3.51	1.24
Interests of actors informs the formulation of rules and regulations	305	1.00	5.00	2.74	1.07
Actors are involved in formulation of rules and regulations	305	1.00	5.00	2.93	1.19
Rules and regulations are a source of delays in delivery of services	305	1.00	5.00	2.67	1.33
Adherence to rules eliminates bias in delivery of services	305	1.00	5.00	3.20	1.42
Rules and regulations encourage corruption	305	1.00	5.00	2.55	1.27
Rules and regulations enhances service delivery process	305	1.00	5.00	3.50	1.21
Rules and regulations reduces the ability of the organization to be responsive to the concerns of the actors	305	1.00	5.00	2.44	1.16
Rules and regulations promotes flexibility in service delivery in the organization	305	1.00	5.00	3.48	1.14
Aggregate Scores for Rules and Regulations				3.00	1.22
Work Instructions	n	Min	Max	Mean	Std Dev
Actors are familiar with the steps for completing tasks	305	1.00	5.00	3.31	1.17
Steps for completing tasks are documented in the organization	305	1.00	5.00	3.20	1.28
Work instructions promotes delivery of services in the organizations	305	1.00	5.00	3.62	1.10
Work instruction clearly identifies the service points for actors	305	1.00	5.00	3.34	1.31
Work instructions sufficiently addresses organizational tasks	305	1.00	5.00	3.21	1.08
Work instructions addresses the diverse concerns of actors	305	1.00	5.00	3.38	1.03
Aggregate Scores for Work Instructions				3.34	1.16
Employee Selection	n	Min	Max	Mean	Std Dev
Actors are familiar with the organizational guidelines on selection	305	1.00	5.00	2.92	1.21
Selection process is conducted in unfair manner	305	1.00	5.00	2.54	1.17
There is canvassing during the selection process	305	1.00	5.00	2.58	1.08
Selection process is clear to actors	305	1.00	5.00	2.91	1.11
Information on available vacancies is provided to actors	305	1.00	5.00	3.18	1.16
The selection test is free of bias	305	1.00	5.00	3.11	1.22
There is transparency in the screening process	305	1.00	5.00	2.86	1.13
Actors are satisfied with the selection process in the organization	305	1.00	5.00	2.81	1.16
Organizational requirements drives the selection process	305	1.00	5.00	3.21	1.12
Corruption in selection process hinders service delivery	305	1.00	5.00	3.48	1.32
Aggregate Scores for Employee Selection				2.96	1.12
Aggregate Score for Policy Compliance				3.06	1.17

Source: Survey Data (2021)

The findings tabulated in Table 1 revealed that the highest sample mean of the data gathered on rules and regulation was 3.51 for clarity of guidelines on service delivery with a corresponding sample standard deviation of 1.24. On the converse, the lowest sample mean of responses gathered was 2.44 for the aspect that rules and regulations reduces the ability of the organization to be responsive to the concerns of the actors with a corresponding sample standard deviation of 1.16. Notably, a majority of the observed sample mean for the various aspects of rules and regulation surveyed tended to a value of 3.00 on the rating scale, a behavior that is confirmed by the aggregate sample mean and sample standard deviation of 3.00 and 1.22 respectively. This

statistical behavior typified by the aggregate mean response of participants and corroborated by narrow variability demonstrated that in overall, the aspects surveyed on rules and regulations were moderately indicated in the practices of state corporations in the energy sector.

Analysis of the set of aspects espoused for measuring work instructions revealed that the largest sample mean response was 3.62 for the aspect on work instructions promotes delivery of services. On the other extreme, the smallest observed mean response was 3.20 on the aspect that steps for completing tasks are documented. In overall, the statistical behavior of the observations gathered approximated to a value of 3.00 on the rating scale used for this empirical inquiry. Corresponding values of sample standard deviation were in general low as they ranged between 1.03 and 1.31 implying a case of narrow variability of participant responses on the set of aspects construed as work instructions. In essence, the measures of central tendency and dispersion revealed that practices associated with work instructions were evident in the surveyed state owned enterprises.

Furthermore, the results of analysis of observation gathered on aspects of employee selection depicted a variation of mean response from 2.54 for the aspect of selection process is conducted in unfair manner to 3.48 for the aspect that corruption in selection process hinders service delivery. As concerns findings on the measures of variability, values of sample standard deviation ranged from 1.08 to 1.32 which was an indication of narrow variability on responses drawn from the research participants. Generally, the resulting measures of central tendency and measures of spread provides empirical evidence that the aspects of employee selection measured in this study were moderately practiced in the state owned enterprises in the energy sector. The findings on the three components of policy compliance are further corroborated by the overall values of sample mean of 3.06 with a corresponding sample standard deviation of 1.17. The evidence of low variability implies that the summary measures of policy compliance were suitable for estimating the corresponding population measures.

Service Delivery

Service delivery was hypothesized as the outcome variable in this study. The indicators that were adopted to measure service delivery included efficiency, effectiveness, turnaround time, and quality of service. The summary measures of central tendency and dispersion for the set of data gathered on service delivery in state owned enterprises in the energy sector are presented in Table 2.

Table 2: Service Delivery

Service Delivery	n	Min	Max	Mean	Std Dev
The organization is keen to perform the promised service	305	1.00	5.00	3.32	0.68
There is good accessibility to organizational services	305	1.00	5.00	3.10	0.76
Needs of actors are attended to on a timely basis	305	1.00	5.00	2.95	1.19
There are delays in performance of services in the organization	305	1.00	5.00	2.74	0.95
Actors are satisfied with the levels of accuracy in performance of services in the organization	305	1.00	5.00	2.92	1.21
Actors convenience in performance of service is valued in the organization	305	1.00	5.00	3.09	0.75
Service performance meets the expectation of actors	305	1.00	5.00	3.31	0.83
Operating hours of the organization are convenient to actors	305	1.00	5.00	3.42	0.77
Performance in the organization is characterized by thoroughness	305	1.00	5.00	3.38	0.82
Actors are given individual attention in the organization	305	1.00	5.00	2.92	1.20
Actors are satisfied with the level of service performance in the organization.	305	1.00	5.00	3.00	0.69
Actors are informed about when the service would be performed	305	1.00	5.00	2.85	1.24
Actors feeling are considered in performance of service	305	1.00	5.00	2.96	1.08
Actors feel safe during performance of service in the organization	305	1.00	5.00	3.09	0.72
Organization's documents are free of errors	305	1.00	5.00	2.42	1.21
Aggregate Scores for Service Delivery				3.03	0.94

Source: Survey Data (2021)

The results displayed in Table 2 revealed that the sample mean response for the observations made that regarding service delivery ranged between 2.42 for the aspect of organization's documents are free of errors and 3.42 for the aspect that operating hours of the organization are convenient to actors. On the former aspect, the corresponding standard deviation is relatively high at 1.21 implying that the responses gathered on this aspect were not close together on the measurement scale used. The general behavior of the sample mean response of the data set gathered implies that the practices typified by the activities and aspect measured are moderately manifested in the surveyed state owned enterprises in the energy sector.

It is evident that operational hours are convenient to actors, there is thoroughness in service performance, there is safety during service performance, service performance meet the expectation of actors, and keen interest is manifested in executing the promised services. It was also noted that there are moderate delays in performance of services, and institutional documents are moderately free of errors. The aggregated sample mean response for all aspect of service delivery observed in this study was 3.03 and the corresponding standard deviation was 0.94. These overall behavior of observations gathered implies that the attendant aggregate variability is low and thus the summary measures of the sample are suitable for making generalization to the population of study.

Linear Regression for Direct Relationship

Policy Compliance on Service Delivery in State-Owned Enterprises

With respect to the third hypothesis, the researcher postulated that there is no association between Policy compliance and service delivery in state owned enterprise in the energy sector in Kenya. The researcher conducted simple linear regression analysis as a basis for testing the third hypothesis. Policy compliance was regressed against service delivery in SOEs. The resulting statistical output is shown in table 3 below.

Table 3: Simple Linear regression for Third Hypothesis

Source	SS	df	MS	Number of obs	=	305
Model	88.593696	1	88.593696	F(1, 303)	=	305.20
Residual	87.9562447	303	.290284636	Prob > F	=	0.0000
				R-squared	=	0.5018
				Adj R-squared	=	0.5002
Total	176.549941	304	.580756384	Root MSE	=	.53878

SD	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PC	.8143542	.0466148	17.47	0.000	.7226245	.906084
_cons	.511532	.1474585	3.47	0.001	.2213597	.8017043

The results in table 3 comprised of the model summary, Analysis of Variance and regression coefficients. The statistics for model summary demonstrate that the coefficient of determination (R-Squared) is 0.5018. The implication of the coefficient of determination is that Policy compliance accounts for 50.18 percent of variation of service delivery in the surveyed state-owned enterprises in the energy sector. The remaining 49.82 percent of variation in service delivery is attributed to other factors that were not investigated in this study.

In determining whether to reject the null hypothesis in favour of the alternative hypothesis, ANOVA was conducted, where the F-statistic and the associated p_{value} were used. From table 3, **F_statistic = 305.2** and

the associated $p_{value} = .000$, leads the study to reject the null hypothesis that there is no association between

policy compliance and service delivery in state owned enterprise in the energy sector in Kenya, in favour of the alternative hypothesis. The decision therefore is that, there was significant relationship between policy compliance and service delivery in state owned enterprise in the energy sector in Kenya.

Further, the influence of policy compliance on service delivery of SOEs in the Energy sector was quantified as represented by the regression coefficients developed. Policy compliance had a significant direct influence on service delivery of SOEs in the Energy sector in Kenya ($\beta_1 = .814, p_{value} = .000$).

The eventual regression, is as presented in equation 4.3 below.

$$Y = 0.512 + 0.814PC \dots\dots\dots \text{Equation 2}$$

The equation above imply that, for a unit increase in policy compliance, there will be an associated increment in service delivery in SOEs in the Energy sector by 78.0%, given other factors are held constant.

The conclusions of this investigation corroborate those of Knill and Grohs (2015) that compliance with policies that are enacted to govern the operational practices an enterprise is an imperative to service delivery. Equally, the observation of this study are in agreement with the findings associated with Olsen (2006) that selection process, rules and regulations and work instructions are crucial aspects of policy compliance in government bureaucracy. Further, the conclusion made in this study validates the proposition that bureaucracy is a social subsystem of instructional structure that facilitates effective functioning of enterprise within a particular frame of reference, and that defines a set of regulations for controlling activities and enhancing delivery of services (Weber, 1947; Blau & Scott, 1962; Grigoriou, 2013).

CONCLUSION, CONTRIBUTION AND RECOMMENDATIONS

The thesis generally intended to investigate the effect of policy compliance on service delivery in state owned enterprises within the energy sector in Kenya. Given the composite nature of chosen explanatory variable, the general objective was further unpacked into specific objective of policy compliance as deriving from critical review of pertinent literature. The research constructs were underpinned by systems theory

The research methodology used in this investigation was grounded on the pragmatism paradigm that facilitated the use of semi-structure questionnaire. Descriptive and explanatory research designs were used as a blueprint for making observations and analyzing data. Multiple linear regression analysis was used as an empirical model as a basis for carrying statistical analysis. Random sampling was used for purposes of selecting a representative sample from the target population.

The researcher postulated that policy compliance had an effect on service delivery in state owned enterprise in the energy sector in Kenya. Statistical evidence drawn from the analysis confirmed that policy compliance has a positive contribution to service delivery.

The paper investigated the direct effect of policy compliance on service delivery in state corporations in the energy sector in Kenya. The beta coefficient for policy compliance was indicated to be significant. Thus, the researcher concluded that policy compliance has a positive contribution towards service delivery.

These findings have valuable implications for policy and practice in state corporations in the energy sector. In regards to first objective, management of state owned enterprises should enact policies to reinforce practices on aspects of leadership power, leadership motivation and leadership delegation. The divisions of audit in state owned enterprises should strengthen the existing policy framework to sufficiently embed practices that foster culture of compliance with rules and regulations, work instructions and personnel selection. Specifically, actors' should be more involved in formulation of rules and regulation as this would significantly minimise biases, delays and corruption in service delivery. Moreover, such involvement would promote

responsiveness of state owned enterprises to actors concerns. Given that work instructions are known to promote service delivery, human management division should ensure that such instructions should be formalized, clearly identify the service points, and sufficiently address institutional tasks and divers concerns of work. In addition, human resource management division enhance actors' familiarity and clarity with guidelines for selection of employees.

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