



Human Resource Compliance Audit and Performance of County Public Service Boards in Kenya

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Date of Submission: 01-07-2024

Date of Acceptance: 10-07-2024

ABSTRACT: Human resource audit (HRA) plays the critical role of establishing human resource problems that have an effect on the human resource functions and aim to improve organizational performance. The success of Human Resource Audits in the public sector in Kenya has elicited robust discussions due to issues of underperformance, strikes and the quality of the service delivery. With the increasing need for accountability and transparency on how Human Resource issues are handled by the County Governments, this research investigated how Human Resource Compliance Audit can improve the performance of the County Public Service Boards (CPSBs) in Kenya. The study focused on how compliance to laws and regulations, policies and internal control affect the performance of the County Governments. The target population was drawn from 667 employees of the County Government of Kajado, and a sample size of 250 employees was used. The research design was descriptive and the findings showed that in order to increase compliance, recruitment and selection processes need to be done consistent with the standards and guidelines of the county public service boards, as they address specific issues affecting the performance of employees specifically related to their competencies, skills, and abilities.

KEYWORDS: Audit, compliance, human resources, performance

I. INTRODUCTION

In Kenya, the County Public Service Board (CPSB) is established under Article 235 of the Constitution, which discusses the provision for county government staffing, [1]. The broad role of the Kenya CPSB is to establish, and regulate the Human Resource (HR) related affairs of the Counties. In this role, they are also expected to facilitate development of integrated, coherent human resource budgeting and planning, advising the county government on human resource development and management [2]. Specifically, they are in charge of

the HR role which includes remuneration, management of performance of the county staff and other HR roles, including training, staff development and monitoring and implementation of national performance management systems for the county governments.

[3]. Described HR audit as a series of formal and systematic procedures, which are designed for the goal of evaluating and improving the effectiveness and efficiency of HR management systems of an organisation, by comparing the actual results with relevant external and internal benchmarks. Different studies have been conducted to investigate the role of Human Resource (HR) audit on the performance of government entities, and local and county governments. Literature review shows that few studies have been done on human resource compliance audits and its relationship with firm performance, [4].

Despite the important role played by Human Resource Compliance Audit in improving employee performance, county governments in Kenya continue to face several challenges. Studies by study by [5]. [6]. and [7]. found that the service boards performed poorly in executing their roles in areas like recruitment, performance management, promotion and remuneration resulting in poor service delivery, low job satisfaction and high turnover, skills inadequacy, lack of feedback and dissatisfaction with the HR practices among the County employees, which adversely affect the performance of the County Public Service Boards.

[4]. Describes HR compliance audit as a process that involves sampling elements of HR information systems, to look at deviations from the requirement of company and law procedures and policies. The value of a compliance audit in the county governments is to provide a benchmark of guidelines and principles that guides the HR role in the design, development and implementation of HR policies, programs and practices like recruitment, training, performance and relationship management and compensation, [8].



II. LITERATURE REVIEW

[9]. Indicated that the local districts in Indonesia found the role of compliance audit to help local governments to comply with the law and the policies governing the local government on Human Resource practices and processes. In addition, compliance audit was found improve effectiveness, job satisfaction, performance and retention of employees in the in the local governments.

[10]. Found that in countries within the Organization for Economic Development public administration governments, compliance audits ensured retention of the best and most experienced talent as well as quality and timely services within the public administration. Particularly, because compliance with the set standards and processes helps recruit a competitive workforce on experience and merit, then it is possible that the public service administration to have on board employees who can offer high-quality services within the required time.

[11]. Review on how to conduct and develop HR compliance audits in public sector universities would improve the performance of the universities found that among the different audits performed including value-for-money audits, compliance audits helped ensure that the HR functions are conducted within the stipulation of the

laws and institutional policies, attain qualified and experienced workers and retain satisfied employees who can offer high-quality and timely services to the citizens in need of such services, leading to improved productivity and performance.

[12]. Indicated that Independent audits within the local governments in Ghana were found to play a key role in improving service delivery quality and time due to the retention of competitive and experienced workers. [13]. Indicated that compliance audit through good governance audit helped have on board competitive workforce that creates value to the organisation and members of the public through quality service delivery, timely service delivery as well as retaining satisfied workforce.

[14]. Found that compliance with set regulations, standards and principles helps implement measures and controls that can reduce inefficiencies that can arise due to non-conformance. The study further indicated that compliance audit can improve accountability practices in the area of Human Resource Management, ensuring that the best county employees are recruited, and retained and enable effectiveness and efficiency in service delivery for the devolved units in Kenya.

III. RESEARCH METHODOLOGY

The study used the descriptive design, which is used when collecting qualitative and quantitative data and analysing data descriptively to understand the relationship between variables. [15]. The target population were 667 employees of Kajiado County Government in Kenya, [16]. The study used Stratified sampling to select the respondents to ensure homogenous representation of the entire population. To acquire an efficient sample, the equation below is used at a confidence level of 95% and a significant level of <0.05. [17].

$$n = \frac{N}{1 + Ne^2}$$

In the equation above, n represent the sample desired, N is the target population size, and e is the margin of error which in this study is at a 95% confidence level. Thus, the sample size is.

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{667}{[(1+667(0.05^2)]}$$

$$n = \frac{667}{[(1+666(0.0025)]}$$

$$n = \frac{667}{[(1+1.67)]}$$

$$n = \frac{667}{[2.67]}$$

$$n = 250.$$

From this sample, the sample size was distributed equally across four strata which include Human Resource, Economic and Planning, ICT and Finance Departments in their respective areas and a member of CPSB. From each department, the sample size to be used is shown in Table 1, and were sampled using the formula .



TABLE 1: The Sample

Departments/Stratums	Size	
	Target Population	Sample Size
CPSB Member	7	3
ICT	140	52
HRM	110	41
Economic and Planning	264	99
Finance	146	55
Total Sample Size	667	250

Primary data was collected using questionnaire to enable standardized data collection, ensuring consistency and comparability across respondents. The analysis of quantitative data obtained by a questionnaire included the use of descriptive statistics, specifically using the Statistical Package for Social Sciences (SPSS). The findings were presented in the form of percentages, means, standard deviations, and frequencies. The study used a regression model to examine the impact of training and development on employee performance. This analysis facilitated the assessment of the associations between the

dependent and independent variables in the research. The regression model was represented as follows:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where:

Y - Performance in Kajiado County Public Service Board measured through Job Satisfaction, Quality of service, Timely services and Retention of the competitive workforce,

β_0 – Constant (Alpha)

β_1 – Regression coefficients to be estimated

X_1 – Compliance Audit

ϵ – Error

IV. FINDINGS

The findings of the research sought to investigate the effect of the human resource compliance audit

conducted at Kajiado Country are provided in Table II.

Table 11: Compliance Audit at Kajiado County

Compliance Audit	N	Min	Max	Mean	Std. Dev
CPSB understands the guidelines required when dealing with HR issues in Kajiado county	222	2	5	3.71	.717
CPSB complies with standards and guidelines put in place when recruiting the workforce	222	1	4	2.10	1.195
CPSB complies with the set legal guidelines on how performance is managed and rewarded	222	1	4	3.73	.706
CPSB deals with disciplinary and employee relational issues in compliance with the legal guidelines set in place	222	1	5	3.82	.650
The practices by CPSB can be seen as ethical and in compliance with the code of practice set for them	222	1	5	3.62	.862
Valid N (listwise)	222				



The findings in Table II indicated that most implemented compliance audit was dealing with disciplinary and relational issues as mean of 3.82(SD=0.650), followed by compliance with guidelines and standards put in place when managing performance and rewards, with mean of 3.73(SD=0.706) showing strong agreement by the participants. Also, the participants agreed that CPSB understood the guidelines needed when dealing with HR issues in Kajiado as mean of 3.71 (SD=0.717) indicated. However, while there was agreement by participants that CPSB has ethical practices and comply with code of practice as mean of 3.62(SD=0.862) showed, the participants disagreed that CPSB complies with guidelines and standards set in place for recruitment as mean of 2.10(SD=1.195) showed. The findings indicated that while there is general compliance with other aspects of HR processes at Kajiado, the compliance with regard to recruitment was not followed, which explains the high variance in SD of 1.195 compared to responses from other compliance question. This variance indicates that the participants view were significantly different with regard to recruitment practice and compliance relative to other aspects.

Comparing these findings with former literature, common trends can be identified. Similar to the findings from the present study, [18]. and [13]. showed public service to have great understanding of guidelines regarding HR issues and how performance should be managed. Furthermore, [11]. Concurred with the issue of disciplinary guidelines made similar views to the present study. However, while [14]. and [13]. had earlier identified compliance audit as aiding to ensure legal guidelines and standards are followed when carrying out Human Resource practices such as recruitment, reducing the issues of nepotism and favoritism, the findings in the study contrasted and indicated that that the recruitment process was not compliant with the set standards and guidelines. It is therefore clear that the CPSB is aware of compliance audit guidelines and implemented some of the guidelines in the area of human resource practices, but still faces challenges when recruiting and selecting employees.

V. CONCLUSION AND RECOMMENDATIONS

The study found the following categories of compliance audits that were implemented at Kajiado County by CPSB: audit dealing with employees disciplinary and relationship issues had the highest mean of 3.82, CPSB compliance with set legal guidelines regarding performance and rewards

management and CPSP ethical practice in complying with overall code of practice with mean of 3.71, 3.73 and 3.62 respectively. Recruitment and selection audit had the lowest mean of 2.10. However, despite this challenge with compliance with guidelines for recruitment and selection, if implemented effectively was likely to improve Kajiado County CPSB overall performance in terms of service delivery, talent management and employee retention.

The study recommends that the CPSB at Kajiado County focus on addressing the issues of compliance; a major improvement is needed on recruitment and selection processes as guided by standards and guidelines put in place.

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