

## **Influence of Revenue Diversification on Performance of Counties in Kenya**

Philip Nyanumba<sup>1</sup>, Gladys Rotich<sup>1</sup>, Mouni Gekara<sup>1</sup>, Victor Keraro<sup>1</sup> and **Headmound Okari<sup>2\*</sup>**,

<sup>1</sup>Jomo Kenyatta University of Agriculture and Technology

<sup>2</sup>Department of Business Administration\* Technical University of Kenya (TUK)

### **ABSTRACT**

Financial sustainability measures an organization's ability to meet all its resource and financing obligations, whether these funds come from user charges or budget allocations to fulfil its mission and serve its stakeholders over time. The county system of governance and sustainability of its financial obligations has been a major subject of discussion in Kenya. The main objective of the study was to examine the

Influence of revenue diversification on performance of counties in Kenya. The target population of the study was the Forty Seven Counties in Kenya as contained in the Kenyan Constitution and CRA report of 2011. A survey research design was adopted. A combination of probabilistic and non-probabilistic sampling techniques was employed in determining the sample size of the study. Stratified sampling was applied to first group the Forty Seven counties into eight geographic Regions, equivalent to the defunct eight Kenyan provinces. Twenty five counties were conveniently selected from which respondents were determined per county using the proportionate population sizes according to CRA (2011). A total of 350 (or 91.14%) of the anticipated 384 respondents participated in this study and data was collected using questionnaires. Data collected was analyzed using the SPSS software. In addition, spreadsheets were also used to supplement the SPSS in areas such as the presentation of results using bar graphs, pie charts and frequency tables. Linear regression and other statistical tests were used to establish the relationship between various variables under investigation.

The study revealed that revenue diversification has a direct influence on performance of counties in Kenya.

Keywords;

Financial Sustainability, Public Private Partnerships, Diversification, Counties

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