EFFECTS OF DEBT MANAGEMENT PRACTICES ON SERVICE DELIVERY AMONG PUBLIC UNIVERSITIES IN KENYA: A CASE STUDY OF EGERTON UNIVERSITY

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ABSTRACT

Service delivery by universities is paramount as it implies a sustained supply of a competent human capital for a country's long-term development and prosperity. Service delivery among public universities in the country is however at jeopardy, owing to the massive debts they have been subjected to, following capitation short falls. In an effort to service this debt, public universities in the country have resorted to a range of debt management practices. It however remains unexplored in the Kenyan body of knowledge, how these how these debt management practices by public universities influence their service delivery, with reference to Egerton University. Extant studies have only explored debt management either in relation to other variables or study populations. In light of this, the investigation sought to establish the effect of asset liquidation and closure and merger of satellite campuses on service delivery among public universities in Kenya. Grounded on both the Contingency Theory and the New Public Management theory, this study employed the descriptive research design. In this study, the target population included all public universities in Kenya, who total 40, as per the Commission for University Education The accessible population in the present study totals 1362 and includes top management, middle management, teaching, non-teaching and low-level management staff from Egerton University. A sample size of 93 is determined, who were sampled by the stratified sampling (probability) sampling technique. The major data used in this study were gathered via a survey form. In the data processing, both inferential and descriptive statistics were generated. Inferential statistics included both Pearson and regression analysis while descriptive statistics included frequencies, percentages, means and standard deviations. Analysis will be conducted with the aid of the Statistical Packages for Social Sciences, version 27. The study's conclusions reveal a complex landscape in which various debt management strategies impact public universities in Kenya. Asset liquidation, while initially attractive, must be approached cautiously due to potential negative effects on service delivery. Campus closures and mergers significantly influence service quality, highlighting the need for meticulous planning and support during transitions. Effective debt management policies should thus prioritize educational quality, transparency, and stakeholder engagement.

Key words: Debt Management Practices, Asset Liquidation, closure and merger of satellite campuses and Service Delivery.

INTRODUCTION

In the present globalized economy, a competent and productive workforce offers governments a wonderful opportunity to advance their socioeconomic growth by supplying more effective methods of production, driving innovation, creating effective institutions and establishing sustainable industries as espoused in the 17 Sustainable Development Goals (SDGs) (McCaig & Lightfoot, 2019). At the forefront of this era, are such knowledge-intensive industries as the academia (Roxana-Diana et al., 2022). Universities are particularly well placed to produce a knowledgeable and productive workforce that can actively contribute to, through the SDGs, viable economic progress (El-Jardali et al., 2018) as well country-specific development initiatives such as the Kenyan Vision 2030.

Against this backdrop, it is incumbent that universities discharge desirable service delivery, so as to provide a sustained and invaluable source of human capital and expertise in research, sustainable development and education. Public universities are however reported to face sustainability challenges globally, regionally and locally. In Australia for instance, this pressure for alternative sources of funding and for a reduced dependence on government grants has been acknowledged in a *Klynveld Peat Marwick Goerdeler (KPMG)* (2022) report on the changing higher education landscape in the country. According to the report, every dollar of government funding is contestable and any growth in funding comes from non-government sources including students, industry, philanthropists and global collaborations which are all fiercely competitive. Similarly, the financial sustainability of universities in the United Kingdom has been declining since before the Coronavirus-2019 (COVID-19) pandemic, evidenced by the increasing number of providers with an in-year deficit from seven (5%) in 2015/16 to 80 (32%) in 2019/20 (House of Commons, 2021). Likewise, universities in Thailand are reportedly struggling to institute and sustain higher education reforms laid out in the Malaysian Higher Education Blueprint 2015–2025 in the face of budgetary constraints (Ahmad et al., 2019).

In the regional context, there are reported cases of budget cuts in higher education, pointing to sustainability challenges. For instance, Olufemi (2021) reports in Nigeria that the 2021 budgetary allocation to education represented only 5.6 percent of the N13.08 trillion budget, which was the lowest percentage allocation since 2011. Accordingly, Babalola (2019) reports that with many Nigerian Universities struggling to meet their overhead cost, resource allocation for Environmental Education and Education for Sustainable Development programs have been significantly impacted. Similarly, only 19% of the universities in Uganda are reported as financially sustainable falling in the categories of either absolute or normal financial sustainability. The majority of Ugandan universities (81%) are on the other hand either unstable or in critical financial sustainability category (Nalwoga, 2021). In South Africa, the initial ministerial statement on university funding for 2021/22 and 2022/23 shows an allocation of R 29 411 904 for NSFAS in 2022/23, which is lower than the amount that was required in 2021/22 (about R 35 billion). This means that the Department of Higher Education and Training source had to source for funds elsewhere in order to meet the expected demand in 2023, even if it is to maintain current funding levels (University of Pretoria, 2022).

In Kenya, dwindling government payment for government sponsored students and low enrollment of private studentsin private universities have placed greater responsibility to each university for alternative sources for sustainability (Oduor 2022). As testament to the sustainability issues, the University of Nairobi and Kenyatta University have for instance dipped into a combined Ksh4.3 billion financial deficit by December of 2021 (Shatuma, 2022). Among the main factors that the observed sustainability challenges have been attributed to, include the implementation of the Differentiated Unit Cost (DUC) model that resulted in a reduction of government capitation in large universities (Minyoso, 2020). The universities have also been affected by the significant drop in the number of students enrolling for the parallel degree programme courses, in which students paid fees based on market rates. This follows the lowering of the regular university entry grades to C+ and above (Guyuyu, 2021).

In an attempt to address these sustainability challenges and realize desirable service delivery, public universities in the country have resorted to a number of public debt management practices (Shatuma, 2022). It however remains unexplored in the Kenyan body of knowledge, how these public debt management practices influence their service delivery, hence the present study.

Service Delivery

The Organization for Economic Co-operation and Development (2017) defines service delivery as any interaction with government entities in which individuals, residents, or entities seek or supply information, perform their tasks, or manage their affairs. Service delivery has also been defined as the concept of as the efficiency, reliability and effectiveness with which services are discharged to the intended recipient (Samal & Pradhan, 2020). These services should be acceptable, accessible, available, affordable, and accommodative and as promptly and effectively as possible to the intended receiver (Gagnon & Dragon, 2019).

The concept of service delivery is increasingly gaining prominence particularly in public administrations across both developed and developing economies occasioned by the wave of public sector reforms with the emergence of the New Public Management (NPM) paradigm (O'Toole & Kenneth, 2021). This is in response to sustained complaints by the citizenry regarding poor service provision in the civil service, relative to the private sector (Samal & Pradhan, 2020). Accordingly, the concept of service delivery has further been previously operationalized (Lufonyo, 2018; Hassan, 2019; Garrison et al, 2020) by four dimensions as per the NPM theory, including effectiveness, financial feasibility, relevance, and efficiency. This owes to the fact that NPM seeks to reform service delivery in public administration towards effectiveness, financial feasibility, relevance, and efficiency through the introduction of corporate sector procedures into public government's internal operations (Hood, 1991). In light of this, the present study will operationalize service delivery as per the NPM theory as it is deemed to factor in the Kenyan public's anticipation of services as effective, financially feasible, relevant and efficient.

Effectiveness is the beginning point for evaluating an organization's performance, and it is described as the degree to which an institution can achieve its objectives (Handa & Adas, 2020). Effectiveness is thus a requirement for the company to achieve its objectives and therefore a measure of service delivery. Among the indicators of effectiveness in the public sector include the goal achievement, number of customers attended to, products/service quality, service usage and access, life change quality, products or service demand as well as indicators of growth for coverage of funding, services, programs and clients (Brudney & Condrey, 2018; Blickendorfer & Janey, 2020; Handa & Adas, 2020).

Efficiency is described as a ratio that represents a comparison of outputs achieved vs costs expended to achieve these objectives (Cockerill et al., 2019). Every company has a limited number of resources with which to deliver services and goods, and it must work within those limits (Zammuto, 2018). Indicators include outputs per staff, cost per or program or service provided, overhead to total program or service cost, cost per customer served, employee turnover and absenteeism rates, program rates of completion, system breakdown frequency, and service delivery timeliness (Zammuto, 2018; North, 2019; Cockerill *et al.*, 2019).

An organisation's ability to achieve the requirements and acquire the approval of its core future, present, and past stakeholders is one of the most important service delivery variables (Blickendorfer & Janey, 2020). From the standpoint of stakeholders, an organization's performance is defined as the amount to which every stakeholder's demands and criteria are met. As a result, institutions must be pertinent to their most important stakeholders (Lufonyo, 2018). Among the relevance indicators include satisfaction of stakeholder, number of new services and programs, partner attitude changes, changes in roles, reputation changes among peer institutions, services and programs acceptance by stakeholders, number of new and old financiers, changes in organizational adaptability and innovation, organizational reputation changes among core as well as program and service changes in relation to altering client systems (Lufonyo, 2018; Zammuto, 2018; Blickendorfer & Janey, 2020).

Financial viability is a vital long- and short-term concern, whether in the public sectors, which depend on development bank or government funding or loans or private sector, where financial health is measured by profits (Cockerill et al., 2019). Financial viability is described as an institution's ability to earn enough funds to pay its debts, as well as be successful and lucrative in the not-for-profit institutional context (North, 2019). Key financial viability indicators include ratio of biggest financier to overall income; alterations to net operating capital over three years; ratio of current assets to current liabilities; money to projected revenue percentage; ratio of total assets to total liabilities, level of funding source diversification; growth indicators with respect to number of financiers, amount of mobilized resources, assets, revenues, capital; and regularity or frequency of hiring to offer services (Brudney & Condrey, 2018; North, 2019; Cockerill *et al.*, 2019).

Debt Management Practices

Debt has been defined by Addaney et al. (2020) as financial liabilities by individuals, companies, institutions, governments or individuals seeking loans or credit from lenders. The use of debt serves as the primary source of outside funding and may include financial resources and financial returns (Dube, 2019). Those are other or alternative ways to raise additional funds to support a company's or companies operational needs. Accordingly, Rajan and Zingales (2020) define debt management as entailing tracking and regulating riskiness brought on by accumulated debt. On their part, Elgonemy (2021) define managing debt as a contract that handles the conditions of a balance to be paid involving the borrower and a lender. Similarly, Vahid et al. (2022) conceptualize debt management practices as strategies recruited through the creditors and the borrower to assist them in managing their debt more effectively. It almost always includes working with the collectors to reorganize the indebtedness or to assist the borrower in more successfully managing their repayments.

A private arrangement between debtors and their creditors for the repayment of debts over a specific length of time to settle the debt/amount owing to the lenders is another kind of credit counseling (Dube, 2019). Successful and productive debt payback plans are part of appropriate debt facility management (Rajan & Zingales, 2020). The goal of technical as well as institutional procedures in structuring an institution's liabilities is to keep the incidence of debt service at a manageable level. This is known as efficient debt consolidation (Elgonemy, 2021). As per Vahid et al. (2022), managing debt has a serious influence on the return on assets as well as stability, which influences whether an organization succeeds or fails.

A number of debt management practices has been advanced in literature, including restructuring of the loan disbursed (Addaney et al., 2020); debt repurposing, which entails lending against capital appreciation for financial purposes and using the operating earnings from the financial assets to substitute bad loans with secured debt, debt management, which entails getting a loan costlier individual and credit card debt using a more value line of credit (Vahid et al., 2022); better utilization of cash reserves and surplus cash flow to reduce the interest payable (Rajan & Zingales, 2020); and liquidation of assets to service outstanding debts. Other efficiency measures have also been proposed, including laying off of non-essential staff and merging operations (Owich, 2021).

An Overview of Public Universities in Kenya

As at January 2023, there are a total of 102 universities and constituent colleges in Kenya, out of which 40 are public (**Guguyu, 2021**). An approximate 27,000 people work for public institutions, comprising 9,000 instructors. To support this population among other operational expenses and obligations, public universities in Kenya have traditionally been largely funded by the state, in addition to the fees paid by students (Kariuki et al., 2021). Since the 2017/18 financial year however, the government introduced the Differentiated Unit Cost (DUC) as the formula for funding universities instead of a flat rate model that funded all courses equally at the rate of Sh120,000 a year. This was in realization that the flat rate model disadvantaged some universities and courses that required more funding **(Mutua, 2022).**

According to the approach, the administration was supposed to cover 80% of the production cost, with learners and organizations bearing the remainder 20% (Nyamai, 2021). A lack of funds occasioned by global economic crises and dampening national economic growth among other factors have however, resulted in allotments by the State falling way behind over the years, at an average of 53 percent (Oduor, 2022). This has subjected public universities to huge debts, standing at KSh56.6 billion as at January 2023, amid a falling student population with a notable proportion hosted by private universities and rising salaries (Minyoso, 2020).

To alleviate the economic meltdown and maintain the viability of higher education institutions and continued delivery of services, public universities in the country have resorted to a number of debt management practices (Musiega et al., 2021). Some have for instance started utilizing their idle assets including land and buildings by liquidating or renting them out (Shatuma, 2022). Others have closed and merged satellite campuses while others have reviewed their academic courses resulting in staff layoffs and others are further increasing fees with new admissions (Agili et al., 2020). However, several colleges have turned to directly appealing to the Treasury for more money (Oduor, 2022). For examples, to cover their deficits in 2021, Jaramogi Oginga Odinga, the University of Nairobi, Kisii University, Egerton University, Jomo Kenyatta University of Science and Technology and Kabianga University have jointly asked for Sh20 billion **(**Mutua, 2022**).**

An Overview of Egerton University

Among the most affected public universities affected in the country, is the internal debt of Egerton University was relatively Sh9 billion as of December 2023, up from a fluctuating Sh6 billion as of December 2023.Egerton College. The internal liability of Egerton University was Sh9 billion in the month of December 2023, up from a fluctuating Sh6 billion as of December 2023. The University is in dire financial straits and, like other publicly owned universities, has not received any funding to help it. (Mureithi, 2022). Owing to the financially battered University's debt burden, insufficient funds have made it difficult to conduct its business. (Oduor, 2022).

The debt was Sh6 billion as of 2019, but when the pandemic started in 2020, it nearly doubled. Which has seen the institution reduce In order to keep it going, raise the salaries of the lecturers by 40%. Additionally, due to the institution's lack of funding, the 46th graduation ceremony, which was originally scheduled for December 2022, was moved to February 2023 (Shatuma, 2022). This is due to the insufficient number of pupils who can graduate. Many employees have similarly retired, and some have quit because they can no longer handle the financial turmoil. The institution once employed around 1,800 people, but as of right now, just between 1,300 and 1,400 people work there. (Mureithi, 2022).

Statement of the Problem

Service delivery by universities is paramount as it implies a sustained supply of a competent human capital for a country’s long-term development and prosperity (Roxana-Diana et al., 2022). Service delivery among public universities in the country is however at jeopardy, owing to the massive debts they have been subjected to, following capitation short falls to the tune of Kshs1.4 billion and a collective debt of KSh56.6 billion as at January 2023 (*Kenya Institute for Public Policy Research and Analysis* (KIPPRA), 2022). Much of the debt comprises mostly of unremitted statutory deductions which have accumulated penalties; salaries and unpaid pension plans, insurance policies, Saccos, and repayments owed to the National Social Security Fund, the National Hospital Insurance Fund, the Kenya Revenue Authority and others **(Mutua, 2022).** In an effort to service this debt, public universities in the country have resorted to a range of debt management practices, including asset liquidation and renting; closure and merger of satellite campuses to minimize operational expenses; review and restructuring of academic courses; staff layoffs and fee increments (Musiega et al., 2021).

It however remains unexplored in the Kenyan body of knowledge, how these how these debt management practices by public universities influence their service delivery and much less in reference to Egerton University as the most affected. Extant studies have only explored debt management either in relation to other variables or study populations. For instance, Owich (2021) studied Ndung'u (2020) investigated the impact of debt leadership on the success of firms mentioned on the Nairobi Stock Exchange whereas Ndung'u (2020) examined the debt management methods and loan profitability of commercial banks in Kenya. Additionally, Mathenge and Muturi (2017) looked into how accounting procedures affected Kenya's public higher education institutions' business results, and Gatau and Muendo (2017) explored the variables that affect the county government of Nairobi, Kenya's county government's ability to manage its debt effectively. In light of this, the current study aimed to evaluate the impacts of indebtedness management strategies on service delivery among public universities in Kenya, with reference to Egerton University.

Objectives of the Study

i. To establish the effect of asset liquidation on service delivery among public universities in Kenya
ii. To examine the effect of closure and merger of satellite campuses on service delivery among public universities in Kenya

LITERATURE REVIEW

This section discusses the theories underpinning the study before presenting empirical literature and conceptual framework.

Theoretical Review

The theories relevant to the effect of asset liquidation and closure and merger of satellite campuses on service delivery included in the study are the Contingency Theory and the New Public Management theory.

Contingency Theory

The overarching theory in the present study is the contingency theory, which according to Fiedler's (1993) opines that there is no ideal way to run a business, to lead a team, or to make choices. However, the most effective strategy depends on both the inside and exterior circumstances. In this approach, situational executives are adaptable in their decision-making and adaptation of their tactics to suit change in circumstance at a specific point in the organization's operation (Jeong & Nor, 2012). The contingency theory highlights the temperament of the manager and the extent whereby the circumstance affords the manager power, command, and authority over the circumstance as the two key components that make up efficient or efficient management (Fiedler, 1993).

The contingency theory is praised in research evidence for its main advantages, one of which is that a great deal of empirical evidence supports it (Northouse, 2007; Friedberg, 1997: Jeong & Nor, 2012). This is crucial since it demonstrates the theory's validity as a result of several tests and investigation. One advantage of the contingency theory is its ability to forecast the kinds of leadership who will perform well in particular circumstances (Jeong & Nor, 2012). The theory has however been criticized for its complexity, difficult empirical testing and for being reactive not proactive. Northouse (2007) for instance argues that the straightforward suggestion of the strategy is that managers should respond to the requirements of the situation. But in reality, things get quite difficult. To ascertain the situation in which the company's action is to be carried out, a vast array of components with multiple dimensions must be examined. The complexity of the contingency approach, according to Morgan (2007), makes evaluating the hypothesis's propositions

challenging. There must be a method accessible for verifying the assumption. Although there is technique, testing is challenging since there are too many aspects involved (Luthans, 2011).
The contingency theory as proposed by Fiedler (1993) is relevant in the present study as it underpins how debt management practices in the Kenyan public universities is practiced contingent upon both the internal (increased enrollment rates) and external situation (funding, government policy and competition). The theory will then be used to give an understanding of how the adopted debt management practices that is asset liquidation, closure and merger of satellite campuses, review and restructuring of academic courses and staff lay-offs, offers the leadership authority, control, and power over both the internal and external situation to influence their service delivery outcomes.

New Public Management Theory

The supporting theory in this study is the New Public Management theory. According to Hood (1991), the supporter, NPM, is a group of organizational practices and changes in the government sector designed at improving the efficiency, viability, appropriateness, and effectiveness of delivering services. NPM is a method of managing government sector organizations that is employed by public government and service agencies across the provincial and district and state and national level (Hood, 1991). In the middle of the 1980s and 1990s, New Public Management began to take the place of the conventional public management approach (Batley & Larbi, 2004). While concepts on *NPM* have carried out globally and a lot of economies have adopted restructurings linked with it, numerous criticisms have been published against it. Prominent among the criticisms is by Maor (1999) who argued that offering public administrators more autonomy to administer programs may lead to focusing decision-making in them. Therefore, NPM may result in consolidated decision making by administrators in public organizations (Batley & Larbi, 2004). The NPM theory is still relevant today since it will be utilized to evaluate the idea of delivery of services along the 4 identified measures it will also be used to underpin how the debt management practices influence the effectiveness, financial feasibility, relevance, and efficiency of service delivery among Kenyan public universities. This is in view of the assumption that the adopted debt management practices that is asset liquidation, closure and merger of satellite campuses, review and restructuring of academic courses and staff lay-offs were introduced at the directorate with a view to realize superior service delivery despite sustainability challenges.

Empirical Literature Review

Asset Liquidation and Service Delivery

Senik (2018) studied Australian asset disposal practices while examining how they support the achievement of organizational goals. With the aid of additional information gathered through content analysis, it was discovered that there are fundamentally six steps engaged in disposing of assets, including stuffing out the appropriate forms, sending them to the asset manager, who then organized the forms for authorization, allocating selling prices, and getting rid of the item using the handling and disposal specified on the form. The final step was to publicize the assets to raise awareness among the general public. The results of the study showed that the procedures had a beneficial impact on asset disposal through enhanced openness and transparency in the way the activities were carried out. The study was however not specific to Kenyan public institutions, and findings may therefore not be generalizable to the present study context.

In the Philippines, Giuntini (2020) did an investigation into the variables that affect an asset's life duration while describing how they affect an organization's performance and providing the essential advice for maintaining the property service life. The study used quantitative data analysis approaches to assess secondary data that was obtained from the examination of different documents. It was discovered that the primary elements influencing the life expectancy of the property to be dispose of time to make use of a property, trademark, technological sophistication utilized in manufacture of the investment, and the degree of upkeep of the investment. Also, it was shown that using subpar brands of goods and using outdated technologies to create the assets had a detrimental effect on performance. The study however focused on the life span of an asset, which is operationalized differently from asset liquidation which is the subject of this investigation.

In Tanzania, Mujwauzi (2021) assessed the impact of privatizations on Tanzania Port Authority performance (TPA). This survey's approach included descriptive and exploratory methodologies with a variety of data collection techniques and/or technologies, including surveys and interviews. Furthermore, the study utilized secondary methods for gathering information such documenting of several reports on asset disposal. The study discovered that TPA has effective asset landfilling processes that are responsible for the improvement of product offering utilization, gain inventory management, save required to work time as well as funds that would be discarded on using old assets, keep increasing the value of money, lessen accumulative risks, and enable the use of novel technologies. The study was however conducted in reference to TPA which operates differently from a public university. This further presents a contextual gap.

Njeru and Moronge (2018) attempted to determine how asset disposal policies influenced the profitability of Kenya's state-owned businesses. All 187 top purchasing executives at state-owned businesses were the focus of the study. The chosen research methodology was description. The data indicated that 0.748 is the high R square. It revealed that the survey's predictor variables, such as disposal making plans, value enhancement, and disposal oversight function, were capable of explaining for 74.8 percent of the variation in supplier performance, with the remaining 25.2 percent being explained by factors or elements from outside prototype. The study was however conducted in reference to state-owned enterprises which operate differently from public universities. This also presents a contextual gap.

Closure and Merger of Satellite Campuses and Service Delivery

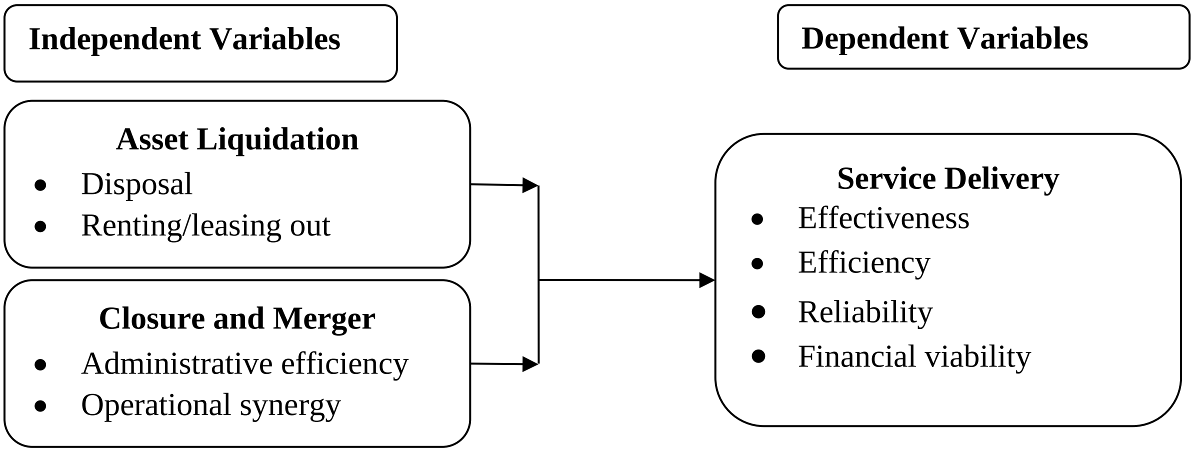
Musiega et al. (2021) studied the impact of satellite universities' financial responsibility and allocation of resources on Kenya's state universities' ability to remain financially viable. The study's population of interest was composed of all 176 randomly chosen employees of Kenya's state universities. The results show a considerable positive correlation between fiscal responsibility and financial sustainability. Pricing system of public institutions was positively correlated with financial reporting of community colleges, allocation of resources, and efficient management, according to regression analysis. The study however focused on satellite campuses' financial accountability, which is operationalized differently from closure and merger. This presents a conceptual gap.

Titi (2019) examined the elements affecting the standard of service performance in Kenya's public colleges with regard to campus locations in Nairobi County. The 7,740 people that made up the target group were drawn from the students and faculty (both academically and quasi) at the five public university community colleges in the county of Nairobi. The study discovered that lessening bureaucracy was necessary to facilitate and speed up services given at community colleges in order to provide high quality services. It was advised that these organizations' executives endeavor to streamline their operations and improve their policy of open doors. The study however focused on city campuses in Nairobi County, which may be equipped differently from campuses in far flung parts of the country.

Mbirithi (2020) looked at the time and scope of management issues facing Kenya's public universities and how they might affect the standard of instruction. Three public universities in Kenya were purposefully sampled for the study, which was conducted there. The following made up the sample: There are three vice chancellors, eight deputy vice members of the cabinet, 53 deans of colleges, 158 divisional chairpersons, twelve leaders of the professional and lay staff organized labor, twelve representatives of the campus organizations at the three state schools, and multiple leaders of the lodging and boarding departments. According to the report, the top managerial difficulty was a lack of funding among public universities particularly at their satellite campuses as it had an impact on all other educational fields, instruction, and investigation. The study did not however, associate the observed challenges, to service delivery among public universities.

Gakindi (2018) sought to examine the requirements for open data to Kenyan satellite campuses. This has been carried out for the purpose of examining how OER might improve campus-wide availability of library materials for educating, teaching, and scholarship. The literature review examined access to information and teaching aids in higher education with a specific focus on the idea of Open Educational Resources (OER). Also, information was acquired by speaking with OER specialists from Africa, Europe, and North America. The study's conclusions showed that faculty and pupils at satellite schools lacked adequate resources at their disposal. The library lacked enough information resources and amenities to support the college' expanding student population. The study however focused on satellite campuses' information access needs, which is operationalized differently from closure and merger. The study did not also associate the observed access needs, to service delivery among public universities.

Conceptual Framework



RESEARCH METHODOLOGY

In this investigation, the descriptive research design was used. The first independent variable that is asset liquidation is operationalized by disposal and renting/leasing out. The second independent variable that is closure and merger is operationalized by administrative efficiency and operational synergy. According to the Council for University Education (CUE), there are 40 academic institutions in Kenya, making up the target group being investigated (2022). 35 Government Chartered Institutions and 5 Public University Component Colleges

The accessible population in the present study included officers holding leadership and managerial positions at Egerton University. This comprises of the top management, middle management, teaching, non-teaching and low-level management. In this regard, a preliminary desktop review reveals an accessible population totaling 1362. The stratified sampling (probability) technique was employed. Stratified sampling was used through grouping the accessible population job categories the five groups. The Yamane formula (Yamane, 1967) is going to be applied in this investigation to determine an acceptable sample size. The determined sample size is therefore 93 top management, middle management, and teaching, non-teaching and low-level management staff.
A structured questionnaire was utilized for the reasons it is able to provide adequate time for respondents to answer back to the items; it confines response to a set of predetermined questions aimed at directly addressing the study objectives. Descriptive and inferential statistics were used to analyse the data. Descriptive analysis provided a general impression of where a majority of

respondents lies with regard to the questionnaire items, inferential analysis provided the statistical determinant and outcome variables are connected.

RESULTS AND FINDINGS

A grand total of 88 of the 93 surveys that were distributed were fully completed. This suggests that the general percentage of returns is 94.6%. On general information, most respondents were of the non-teaching cadre (31.8%), followed by teaching staff (28.6%), then middle management (16.5%). Low level management recorded a response rate of 19.1%, while a response of 4.0% was recorded in top management. On the length of service, a majority of respondents had served in the organization for between 5 and 10 years (52.2%); quite distantly followed by 30.3% having worked between 11 and 15 years; while 15.5% had worked for over 15 years. Only 10.1% had worked for less than 5 years.

Asset Liquidation

The purpose of the investigation was to determine how asset liquidation on service delivery among Kenya's public universities. To this end, responders were prompted to rank their individual levels of affirmation or disapproval with pertinent items provided in regard to asset liquidation as a debt management practice as applies the institution. Table 1 outlines the outcomes.

Table 1: Asset Liquidation

	Mean	**Std. Dev**
We rent out our assets to service our debts	3.318	0.953
We lease out our assets to service our debts	4.068	0.254
We dispose of our assets to service our debts	4.159	0.378
We invest in assets to diversify our sources of income	4.206	0.530
We borrow credit against our assets to service our debts	3.932	0.583
Our return on assets has been growing in the last 5 academic years	4.239	0.429
Overall	**3.987**	**0.521**

Source: Survey Data (2023)

A majority particularly affirmed that their return on assets has been growing in the last 5 academic years (4.239); they invest in assets to diversify their sources of income (4.206); they dispose of their assets to service their debts (4.159); they lease out their assets to service their debts (4.068); and that they borrow credit against their assets to service their debts (3.932). An overall mean of 3.987 was established in asset liquidation, implying that a majority of respondents affirm to the adoption of asset liquidation as a debt management practice. The standard deviation of 0.521 indicates the degree of variability or dispersion in the responses. In this case, the relatively low standard deviation suggests that there is a degree of consensus among the respondents. In other words, there is not a wide range of opinions regarding the effectiveness of asset liquidation; most respondents agree.

Closure and Merger

The study also sought to examine the effect of closure and merger of satellite campuses on service delivery among Kenya's public universities. To address this objective, responders were prompted to rank their individual levels of affirmation or disapproval with pertinent items provided in regard to closure and merger of satellite campuses as a debt management practice as applies the institution. Table 2 outlines the outcomes.

Table 2: Closure and Merger of Satellite Campuses

	Mean	Std. Dev
We have closed and/or merged our satellite campuses to achieve lean administration	4.057	0.278
We have closed and/or merged our satellite campuses to achieve synergy in our operations	3.989	0.491
We have closed and/or merged our satellite campuses to achieve operational efficiency	4.068	0.621
We have closed and/or merged our satellite campuses to improve access to teaching and learning infrastructure	3.784	0.596
We have closed and/or merged our satellite campuses to cater for the growing student population	4.114	0.466
Overall	**4.002**	**0.490**

Source: Survey Data (2023)

A majority particularly affirmed that they have closed and/or merged their satellite campuses to cater for the growing student population (4.114); they have closed and/or merged their satellite campuses to achieve operational efficiency (4.068); they have closed and/or merged their satellite campuses to achieve lean administration (4.057); they have closed and/or merged their satellite campuses to achieve synergy in their operations (3.989); and that they have closed and/or merged their satellite campuses to improve access to teaching and learning infrastructure (3.784). An overall mean of 4.002 was established in closure and merger of satellite campuses, implying that a majority of respondents affirm to the adoption of closure and merger of satellite campuses as a debt management practice. The overall standard deviation of 0.490 indicates the degree of variability or dispersion in the responses. In this case, the relatively low standard deviation suggests that there is a high degree of consensus among the respondents. Most respondents are in agreement regarding the effectiveness of closing and merging satellite campuses.

Service Delivery

The study set out to effects of debt management practices on service delivery among Kenya's public universities, with reference to Egerton University. To this end, responders were prompted to rank their individual levels of affirmation or disapproval with pertinent items provided in regard to service delivery as applies the institution. Table 3 outlines the outcomes.

Table 3: Service Delivery

	Mean	Std. Dev
Effectiveness		
The mission statement, charter and other documents offer the purpose of our institution	4.067	0.255
The mission is agreed to and known by the institution's staff	4.053	0.466
The institution operationalizes the mission through activities, objectives and program goals	4.217	0.507
Qualitative and quantitative indicators are employed to capture the mission's essence	3.910	0.649
A protocol is established to assess the institution's effectiveness	3.944	0.684
The organization tracks effectiveness of the institution	4.251	0.530
The institution employs feedback for self-improvement	4.034	0.355
Overall	**4.068**	**0.493**
Efficiency		
The institution uses staff members to the potential	4.180	0.466
Optimal use is made of infrastructural physical facilities (equipment, buildings, etc.)	4.217	0.507
The institution makes optimal use of financial resources	3.910	0.649
The system of administration offers good value for finances	4.025	0.295
High-quality systems of administration are established (strategy, financial, program, human resources, etc.) to support the institution's efficiency	4.213	0.479
Benchmark assessments are done of the progress the institution achieved	4.178	0.631
Overall	**4.034**	**0.342**
Relevance		
Regular revision of programs reflects varying institution's capacities and environment	3.944	0.684
The mission of the institution is reviewed periodically	3.251	0.530
Assessment of stakeholder need is regularly conducted	3.224	0.507
The environment is regularly reviewed by the institution to adjust its strategy	3.910	0.649
The institution tracks its image	4.183	0.479
The institution adapts or creates new innovations	4.114	0.406
Institution encourages innovation	4.215	0.507
Regular role analyses are undertaken by the institution	4.183	0.479
Overall	**4.128**	**0.530**

Financial viability		
Our institution is offered sustained support by existing sources of funding	4.137	0.406
New sources of funding are consistently obtained by the institution	4.223	0.507
There are consistently less expenses than revenue in the institution	3.910	0.649
In the institution, liabilities are less than assets	4.113	0.355
A reasonable surplus of funds is kept by the institution to use in hard times	4.056	0.355
Regularly, finances are monitored by the institution	3.335	0.958
Our institution monitors depreciation and capital assets	4.012	0.472
The institution does not rely on one funding source	3.808	0.815
Overall	**3.949**	**0.564**
Grand Mean	**4.045**	**0.482**

Source: Survey Data (2023)

A majority particularly affirmed that the organization tracks effectiveness of the institution (4.251); the institution operationalizes the mission through activities, objectives and program goals (4.217); the mission statement, charter and other documents offer the purpose of our institution (4.067); and that the mission is agreed to and known by the institution's staff (4.053).

An overall mean of 4.034 was established in efficiency, implying that a majority of respondents highly approve of efficiency in their service delivery. The standard deviation of 0.342 is relatively low. This suggests that the responses are closely clustered around the mean. In other words, there is a high degree of agreement among the respondents regarding the efficiency of service delivery. The low standard deviation indicates that there is little variation or disagreement in their perceptions. A majority particularly affirmed that there is optimal use is made of infrastructural physical facilities (equipment, buildings, etc.) (4.217); high-quality systems of administration are established (strategy, financial, program, human resources, etc.) to support the institution's efficiency (4.213); the institution uses staff members to the potential (4.180); and that benchmark assessments are done of the progress the institution achieved (4.178).

An overall mean of 4.128 was established in relevance, implying that a majority of respondents highly approve of relevance in their service delivery. The standard deviation of 0.530 suggests a moderate degree of variability in the responses. While there is a strong overall agreement regarding the relevance of service delivery, there are some variations in opinions among the respondents. This indicates that while most respondents find the services highly relevant, there may be some who hold differing views. A majority particularly affirmed that the institution encourages innovation (4.215); the institution tracks its image (4.183); the institution adapts or creates new innovations (4.114); and that regular revision of programs reflects varying institution's capacities and environment (3.944).

An overall mean of 3.949 was established in financial viability, implying that a majority of respondents highly approve of financial viability in their service delivery. The standard deviation of 0.564 suggests a moderate degree of variability in the responses. This means that there is some variation in opinions among the respondents regarding the financial viability of service delivery. Some respondents may strongly approve, while others may have reservations or differing views. A majority particularly affirmed that new sources of funding are consistently obtained by the institution (4.223); the institution is offered sustained support by existing sources of funding (4.137); in the institution, liabilities are less than assets (4.113); a reasonable surplus of funds is kept by the institution to use in hard times (4.056); and that the institution monitors depreciation and capital assets (4.012). An overall mean of 4.068 was established in effectiveness, implying that a majority of respondents highly approve of effectiveness in their service delivery. The standard deviation of 0.493 is relatively moderate, indicating a degree of variability in the responses. While there is a general trend of strong agreement regarding the effectiveness of debt management practices, there are some variations in opinions among the respondents.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study's results provide compelling evidence that asset liquidation has a significant relationship with service delivery within public universities in Kenya. This conclusion underscores the critical interplay between financial decisions and the quality of education institutions provide. The affirmation of asset liquidation as a debt management strategy indicates the recognition among stakeholders of the urgent need to address financial challenges in public universities. Asset liquidation is often viewed as a practical approach to raise immediate funds and alleviate debt burdens, which can help universities stabilize their financial situations.

The study's outcomes present clear and compelling evidence that closure and merger of satellite campuses has a significant relationship with service delivery within public universities in Kenya. The finding that the closure and merger of satellite campuses has a significant impact on service delivery underscores the critical importance of strategic decision-making in higher education management. The identification of a substantial impact resulting from the closure and merger of satellite campuses reflects the multifaceted consequences that reverberate throughout the university ecosystem.

Recommendations

The study's results provide compelling evidence that asset liquidation has a significant relationship with service delivery within public universities in Kenya. It is therefore recommended that universities develop strategic asset management plans, prioritize the liquidation of non-core assets, integrate asset liquidation into financial planning, enhance transparency and accountability, regularly evaluate asset values, invest in staff training, establish performance metrics, engage stakeholders, assess risks, and align liquidation strategies with long-term institutional goals. These recommendations aim to optimize the benefits of asset liquidation while ensuring that the proceeds contribute to the improvement of service quality and the overall sustainability of higher education institutions in Kenya.

Based on the study's compelling findings demonstrating the significant relationship between the closure and merger of satellite campuses and service delivery in public universities in Kenya, several specific recommendations can be made. Firstly, universities should conduct thorough feasibility studies and impact assessments before considering campus closures or mergers, considering the potential effects on students' access and service provision. Secondly, when closures or mergers are deemed necessary, institutions should prioritize a seamless transition for affected students, ensuring minimal disruptions to their academic journeys. Additionally, universities should reallocate resources freed up from closures or mergers to improve the quality of education, infrastructure, and support services in the remaining campuses. Lastly, continuous monitoring and evaluation of the impact of closures and mergers on service delivery should be implemented to make necessary adjustments and improvements. These recommendations aim to help universities strike a balance between financial sustainability and service quality while considering the needs of their diverse student populations.

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