

**AN EVALUATION OF EFFECTIVENESS OF PERFORMANCE CONTRACTING  
ON SERVICE DELIVERY: A CASE OF DEPARTMENT OF PROVINCIAL  
ADMINISTRATION PUBLIC SERVICES, TESO NORTH DISTRICT, KENYA**

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**A Research Project Report submitted to the Graduate School in partial fulfillment for the requirement of the Award of Master of Business Administration Degree of Egerton University.**



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# DECLARATION AND RECOMMENDATION

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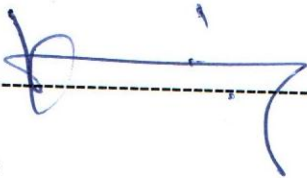
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## RECOMMENDATION

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## **DEDICATION**

I dedicate this work to my wife Jane and children: Kiprop, Kipkorir, Chepchumba and Kipkemboi. Also to Mr. Charles Tanui who laid the foundation of my education.

I am grateful for the valuable advice and guidance given by my supervisors, Dr. Isaac Ochieng' and Mr. Clement Bett. I am very obliged to Mr. J.O. Onyango, Senior Lecturer, who looked at the entire research document and did provide the analytical statistical techniques. To Mr. J.B.M.M. Somoni, our SSP Director and the former Provincial Commissioner, Mr. Paul Olando for encouragement. I express much thanks to Mr. Elijah Museve as my MBA colleague and to the Secretary, Sarah Leah Anyika.

## ABSTRACT

In order for the Provincial Administration department in Kenya to deliver its mandate, it needs efficient and proper service delivery. The implementation of performance contracting was aimed at addressing quality of service delivery. Despite these reforms, apparently there remain some challenges in terms of quality of service delivery. The purpose of the study was to evaluate the effectiveness of Performance Contracting on service delivery by Provincial Administration in Teso North District. The study also sought to evaluate the level of implementation of Performance contract components, determine the level of competence of the employees in implementing Performance contracts and finally to determine the customers' perception of efficiency of service delivery by the department. The study used the descriptive survey research design. Primary data was collected from a sample size of 147 drawn from a target population of 490 consisting of 90 employees of Provincial Administration and 400 members of the public who on average visited Provincial Administration offices per day for various services. Both stratified random sampling and purposive sampling were used for Provincial Administration staff and members of the public respectively to pick the respondents. The data was gathered by use of a questionnaire that had both open and closed ended questions. Descriptive statistics was used to analyze data in form of frequencies and percentages, and presented in tables. The study revealed that the implementation of Performance Contracting was effective in improving efficiency in service delivery by the department. However some key elements of an effective Performance Contracting system including Monitoring and Evaluation and Customer satisfaction survey were found to require improved implementation. There is need to improve training of staff and address challenges encountered by the employees. It is recommended that performance contracting implementation process be strengthened and its use be applied in the entire Public Service in Kenya.

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## LIST OF ACRONYMS

AAPAM	-	African Association for Public Administration and Management
ADA	-	Alcohol and Drug Abuse
Asst.Chief	-	Assistant Chief
CEO	-	Chief Executive Officer
DC	-	District Commissioner
DO	-	District Officer
ERS	-	Economic Recovery Strategy
GOK	-	Government of Kenya
IEC	-	Information, Education & Communication
KPI	-	Key Performance Indicators
KSTM	-	Kenya Sensitization Training Manual
MBO	-	Management By Objective
MDG	-	Millennium Development Goals
MOU	-	Memorandum of Understanding
MPAIS	-	Ministry of Provincial Administration and Internal Security
MTP	-	Medium Term Planning
OOP	-	Office of the President
PA	-	Provincial Administration
PC	-	Performance Contract(ing)
RRI	-	Rapid Results Initiative
RBM	-	Results Based Management

## INTRODUCTION

**1.1 Background of the Study**

The major goal for any country is to achieve high standards of quality of life for its citizens. The public service and in particular civil service plays an indispensable role in the effective delivery of public services that are key to the functioning of a state economy. Once the delivery of services is constrained, it affects the quality of life of the people and the nation's development process. Public services in many African countries are confronted with many challenges, which constrain their delivery capacities (Lienert, 2003). They include the human resource factor, relating to shortage of the manpower in terms of numbers and key competencies; lack of appropriate mind sets, and social psychological dispositions, and low rate of remuneration. There is also perennial problem of shortage of financial and material logistics that are necessary to support effective service delivery. On the other hand, the gradual erosion of the ethics and accountability has continued to bedevil the public sector in delivery of services to the people effectively.

To address the above challenges the government in conjunction with development partners has from time to time put in place public sector reforms meant to improve service delivery to its citizens (AAPAM, 2005). The Kenya government responded to the public service delivery challenges by formulating and implementing Public Sector Reforms (PSR) way back in 1993. The program implementation was in three phases. The first phase focused on cost containment which entailed staff rightsizing initiatives

and rationalization of government functions and structures. The second phase involved focus on rationalization of government ministries/departments to determine the appropriate structures and optimal size of the civil service for effective performance of the government's core functions within the budgetary limits. Phase three involved Economic Recovery Policy Direction (DPM, 2004)/Economic Recovery Strategy for Wealth and Employment Creation (ERS 2003-2007). This policy document was meant to accord high priority to economic recovery and improving the performance of public service to deliver results to the people. In order to achieve the efficient public service delivery, this called for fundamental changes in the way the sector operates in institutional organization and relationships and in the individual and collective behavior of those serving in the sector thus the government adopted Performance Contracting (PC) in public service as a strategy in improving service delivery to Kenyans (Kobia & Nura, KIA 2006). Performance contracts are defined as legally binding contractual obligations that tie an organization or individual to undertaking specified tasks at predetermined levels of performance within a given period of time. Performance contracts clarify the goals and objectives of public agencies, including their obligations and responsibilities and measure the extent of achievement of each objective.

As from the 2005/2006 Financial Year all government ministries and state corporations were targeted and started operating under Performance Contracts. The Ministry of Provincial Administration and Internal Security which is key in coordination of government activities and dissemination of government policies in the field was paramount to achieving the Government Reform Agenda.

The Ministry of Provincial Administration and Internal Security is one of the key areas that the government targeted for reforms in order to improve service delivery and particularly because it had been featured and publicized in negative perception in various surveys conducted by Kenya Anti-corruption Commission (KACC 2005).

Provincial Administration is a department in the Office of the President. It has the Provincial Commissioner as the Head of the Province, the District Commissioners, District Officers, Chiefs and Assistant Chiefs heading the Districts, Divisions, Locations and Sub-locations respectively. It plays a critical and strategic role in governance, development, coordination of government programmes, provisions of security and maintenance of law and order. It also promotes public safety, peace building and conflict resolution which are important pre-requisite for social-economic and critical development of our country (Strategic Plan Draft 2008-2012).

In 2006 the department implemented Performance Contract up to the level of the District Commissioner, while the other lower level officers including the Assistant Chiefs began to operate on Work plans which cascade the targets in Performance Contract of the department. As a strategy to accelerate the attainment of the targets of the Performance Contract, the department has implemented three phases of Rapid Results Initiatives (RRI) in 2006, 2009 and 2010. It is therefore important to evaluate the effectiveness of Performance contracts on the efficiency of delivery of service by the department.

## **1.2 Statement of the Problem**

The implementation of Performance Contracts was part of reforms and efforts to address quality of service delivery so as to achieve responsive, effective, timely and quality services in the department of Provincial Administration.

Despite these reforms, apparently there remain some challenges in terms of quality of service delivery. Little research has been done to determine the effect of implementation of Performance Contract on service delivery in Provincial Administration. The study, therefore, evaluated the effectiveness of Performance Contracting on service delivery by the department of Provincial Administration in Teso North District.

## **1.3 Purpose of the Study**

The purpose of the study was to evaluate the effectiveness of Performance contracting on service delivery.

## **1.4 Objectives of the Study**

The objectives of the study were to:

- i. Evaluate the effectiveness of Performance Contracting in improving efficiency in service delivery by Provincial Administration department in Teso North District.
- ii. Evaluate the level of implementation of Performance Contract components of service delivery.
- iii. Determine the level of competence of Provincial Administration staff on Performance Contract issues.
- iv. Determine the customers' perception of efficiency of service delivery by Provincial Administration employees.



## **1.5 Research Questions**

- i. How significant is Performance contracting in improving efficiency in service delivery in Provincial Administration department?
- ii. What is the level of implementation of Performance Contract aspects?
- iii. What is the level of training of Provincial Administration staff and their competency on Performance Contracting?
- iv. What is the perception of customers regarding the efficiency of service delivery by Provincial Administration department employees and performance contracting?

## **1.6 Importance of the Study**

The study has provided data that may assist the government to establish whether or not the implementation of Performance Contracting has improved efficiency in service delivery in Provincial Administration department. It has also provided information which can enable the government identify the extent of success and flaws in the implementation process of Performance Contract, the training needs of staff, and perceptions of the public and employees regarding efficiency of service delivery and Performance Contracting. This study may also form a basis for future studies by helping other researchers to identify and select areas which need further research.

## **1.7 Scope and Justification of the Study**

The Provincial Administration is the most spread and visible arm of the Executive to the grassroots. It is charged with cardinal responsibilities of promoting nationhood, statehood, peace building and harmonious co-existence of communities.

Other responsibilities are co-ordination of government activities, interpretation and dissemination of its policies to the public. These kinds of roles call for efficient, effective and well trained government agents to be able to effectively and efficiently deliver quality and timely service, hence the need to find out whether introduction of Performance Contract to the operations of Provincial Administration department has led to improvement of its delivery of services.

The study was carried out in Teso North District of Western Province, Kenya. It covered the ninety employees of Provincial Administration who include the District Commissioner, two District Officers, seventeen Chiefs and forty four Assistant Chiefs, and twenty six staff of other cadres. It also targeted four hundred members of the public who on average seek services from Provincial Administration offices in a day, hence a total target population of four hundred and ninety.

The area of study covered approximately 271 km<sup>2</sup> with a total population of about 100,000 people (District Development Office, 2009) but the study targeted those who visit Provincial Administration offices for services and were picked through purposive sampling.

### **1.8 Limitations of the Study**

- i. There was limited literature on the Performance Contracting owing to the fact that it was a new concept of work in the public sector service delivery in Kenya.
- ii. Public perception on the Provincial Administration department may have produced biased responses.

These limitations were addressed through maximizing on all available literature and government documents and pointing out to the respondents to be truthful and honest in their responses.

### **1.9 Definition of Terms**

**Competence:** Ability to perform activities within an occupation or function to the expected standards in employment.

**Customers:** People who seek services in Provincial Administration offices.

**Department:** Refers to the Provincial Administration.

**Effective:** Adequate to accomplish a purpose; producing the intended or expected results.

**Effectiveness:** The extent to which an activity fulfils its intended purpose or function.

Hence, the extent Performance Contracting improved efficiency in Service delivery in the department.

**Efficiency:** It is the extent to which an activity achieves its goal whilst minimizing resource usage. An ability to perform well or to achieve a result without wasted resources, effort, time, or money (using the smallest quantity of resources possible).

**Members of the public:** People in general.

**Performance:** Refers to accomplishment of a given task measured against present standards of accuracy, completeness, cost and speed.

**Performance Contracts:** Are legally binding contractual obligations that tie an organization or individual to undertake specified tasks at predetermined levels of performance within a given period of time.

**Quality of Service Delivery:** The degree to which service delivery is excellent or efficient.

**Service Delivery Standards:** Refer to critical Performance benchmarks including quality and quantity, timeliness, cost and affordability and, degree of accessibility with a view of achieving overall consumer satisfaction.

**Target:** Intended level of achievement.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Performance

The word performance means different things depending on the context in which it is used. According to Business Dictionary.com, it refers to accomplishment of a given task measured against present standards of accuracy, completeness, cost and speed. Performance also means successful execution of a contract, or fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. It provides a framework for organizing, automating and analyzing business methodologies, metrics, processes and systems that drive business performance. Performance provides Key Performance Indicators (KPIs) that help companies monitor efficiency and projects and employees against operational targets. Various methodologies are used in implementing performance management. The discipline gives the organization/companies a top down framework by which to align planning and execution, strategy and tactics and business unit and enterprise objectives. Reactions may include the balanced score card, total quality management and integrated strategic measurement. For business data analysis to become a useful tool, an enterprise must understand its goals and objectives, essentially it must know the desired direction of progress. To help with this analysis CEO prescribes key performance indicators to assess the present state of the business and to prescribe the course of action.

Managers have tended to be judged on their performance in one of the three principal ways; In terms of business outcomes (turnover, profits, return on investments etc) in

cases where they are Directors or Senior Managers. Secondly, in terms of their agreed departmental/unit objectives as agreed under some system of management by objectives.

Finally, in terms of how they have performed generally carrying out their responsibilities as stated or implied in their job descriptions and where performance is assessed as much on the individual manager's **input** into the job as on any outcomes he or she has achieved. The later two ways outline or form basis of two major approaches that are widely used in modern business and public service organizations. These are Management By Objective (MBO) and competency based management.

### **2.1.1 Management By Objectives (MBO)**

The concept was first coined by Peter Drucker in the 1950s. In his classic book "The Practice of Management", he viewed it as a principle of harmonizing individual manager goals with those of the organization.

Management By Objective is now widely practiced around the world. The definition and application of MBO differ widely. Some people think it is an appraisal tool; others see it as a motivational technique; still others consider MBO a planning and control device. Heinz et al (1993) define MBO as a comprehensive managerial system that integrates many key managerial activities in a systematic manner and is consciously directed towards the effective and efficient achievement of organizational and individual objectives. Besides being used for performance appraisal as an instrument in motivating individuals, and strategic planning there are still other managerial sub-systems that can be

intergraded into MBO. They include Human resource planning and development (staffing), career planning (building on personal strength and overcoming weaknesses), the reward system (paying for performance) and other managerial activities important for a specific position.

In Britain, the leading exponent of MBO, Humble (1971) sees MBO as a means of integrating organizational goals such as profit, growth and with the needs of individual managers to contribute to the organization and to their own self-development. The most important features of MBO according to the proponents include; Focus on **results** (system outputs) rather than on **activity** (system processes), and development logically from the corporate planning process by translating corporate and departmental objectives into individual manager's objectives. MBO seeks to improve management performance.

Figure 2.0



Source: G.A. Cole (2004)

The diagram demonstrates how objectives and the frontline of the organizations operations flow logically from overall strategic plan for the organization.

MBO activities from the flow are key part of conversion processes of the organization.

MBO can only be operated successfully with top managements approval and support.

Key results are derived from the analysis of individual manager's job, in which key results areas are identified and key tasks drawn up from them.

These are worked out by agreement between the individual manager and his or her superior. It is from the key tasks that the short-term targets are developed.



These targets serve as the focus for immediate and short-term priorities in the job. Each task has one or more performance standards against which it can be measured over a period of time (usually one year). These standards should express satisfactory performance and not necessarily **ideal** performance. They are usually expressed in terms of end results and qualified in some way e.g. in respect of time, quality and quantity.

MBO attempts to qualify the efforts of specialist Managers. The major performance addressed by MBO includes:-

<b>Quantitative</b>	<b>Qualitative</b>
<p>(a) Increase sales of product X by 20% in next 12 months.</p> <p>(b) Staff turnover not exceed 30% in any year.</p> <p>(c) Stocks not to exceed budgeted levels.</p>	<p>(a) Vacancies for Branch Manager be filled by internal promotion.</p> <p>(b) Budget to be accepted by the Board of Directors.</p> <p>(c) All supervisors able to operate, grievance procedure without incurring trade union complaints</p>

### **2.1.2 Benefits and Weaknesses of MBO**

Although goal-oriented management is now one of the most widely practiced managerial approaches, its effectiveness is sometimes questioned. Facility implementation is often blamed but another reason may be MBO being applied as a mechanistic technique

focusing on selected aspects of the management process without integrating them into a system.

MBO tend to have the following benefits; improvement of managing through suit – oriented planning, clarification of organizational roles and structures as well as delegation of authority according to the results expected by the people occupying the roles, encouragement of commitment to personal and organizational goals and, development of effective controls that measure results and lead to corrective actions.

MBO have the following shortcomings. Failure to teach the philosophy of MBO is one of the weaknesses. The Manager must explain the MBO concept to the subordinates, how it works, why it is performance appraisal, and the benefit of portabilities. Another weakness is failure to give guidelines to goal setting. Managers must know the corporate goals, and how their own activities fit in with them. The setting of verifiable goals with the right degree of flexibility is quite difficult. Participants in MBOs programs report at times that excessive concern with economic results puts pressure on individuals that may encourage questionable behavior i.e. unethical means to achieve results.

To avoid this, top management must agree to reasonable objectives, clearly state behavioural expectations and give high priority to ethical behavior, rewarding it as well as punishing unethical activities. Short term goals tend to be over emphasized at the expense of the longer range health of the organization.

Finally, the over use of quantitative goals and the attempt to use numbers in areas where they are not applicable, or they may downgrade important goals that are difficult to state

in terms of end results. For example favorable company image may be the key strength of an enterprise yet stating in quantitative terms is difficult. There is also the danger of forgetting that managing involves more than goal setting (Humble J, 1971).

### **2.1.3 Competence Models of Management**

This model concerns with the persons **performance at task**. It is closely related to the idea of “skill”, or more precisely “skill at” performing some task.

According to the UK’s Employment Department, competence is defined as the “.....ability to perform activities within an occupation or function to the expected standards in employment.” Underlying this definition is an employment-led model of job competence expressed in terms of four interrelated components. Task Skills i.e. the performance of relevant tasks, task management i.e. skills required to manage a group of tasks within a job, and contingency management skills, i.e. skills required to respond to breakdown in routines and procedures, and job/role environment, i.e. Skills in responding appropriately to the wider aspects of the job or role (e.g. dealing with people).

The competency model further focuses on the personal behaviour of the job-holder in carrying out his or her work. Personal behaviour is sub-divided into four sets of personal competencies: Planning to optimize the achievement of results, and managing others to optimize results, managing oneself to optimize results, and using intellect to optimize results. Boyatzis (1982) identified twelve competencies expressed in the four general competencies as follows:-

Those that concern with impact, diagnostic use of concepts and efficiency orientation. There are those that concern proactivity, conceptualization and self-confidence. There

are also those that concern use of oral presentations, managing group processes, and use of socialized power. Finally, there are those that concern perceptual objectivity, self-control, and stamina and adaptability.

## **2.2 What is Performance Contract?**

Performance Contracts are legally binding contractual obligations that tie an organization or individual to undertaking specified tasks at predetermined levels of performance within a given period of time (A Strategy for Performance Improvement in the Public Service, 2001).

Performance Contract system originated in France in the late 1960s. It was later developed with great deal of elaboration in Pakistan and Korea and thereafter introduced to India (OECD, 1997). It has been adopted in developing countries in Africa, including Nigeria, Gambia, Ghana and now Kenya.

The definition of Performance Contracts itself has been a subject of considerable debate among the scholars and human resource practitioners. Performance Contracting is a branch of management science referred to as Management Control Systems. A Performance Contract is freely negotiated performance agreement between Government, organization and individual on one hand and the agency itself (Kenya Sensitization Training Manual (KSTM, 2004).

It is an agreement between two parties that clearly specify their mutual performance obligations, intentions and responsibilities.

Suresh Kumar (1994) defines performance contract as a Memorandum of Understanding (MOU). MOU is rooted in an evaluation system, which not only looks at performance comprehensively but also ensures improvement of performance management and industries by making the autonomy and accountability aspects clearer and more transparent. OECD (1999) defines Performance Contract as a range of management instrument used to define responsibility and expectations between parties to achieve mutually agreed results. While Smith (1999) argues that a common definition of Performance Contracting can be found, there are a considerable variety of uses and forms for quasi-contractual arrangement.

### **2.3 International Experiences with Implementation of Performance Contract**

Starting in France in the 1970s, Performance Contracting has been used in about 30 developing countries in the last fifteen years. In Asia, the Performance Contract concept has been used in Bangladesh, China, India, Korea, Pakistan and Sri Lanka.

In Africa, Performance Contracts have been used in selected enterprises in Benin, Burundi, Cameroon, Cape Verde, Congo, Cote d'voire, Gabon, the Gambia, Ghana, Guinea, Madagascar, Mali, Mauritania, Morocco, Niger, Senegal, Togo, Tunisia and Zaire. In Latin America, they have been used at different times in Argentina, Brazil, Bolivia, Chile, Colombia, Mexico, Uruguay and Venezuela. Others include Malaysia, United Kingdom, U.S.A. Canada, Denmark and Finland among others.

Public Enterprises in Africa are suffering financially and many are seeking financial assistance.

Their problems stem from unclear and conflicting objectives, and a lack of autonomy and accountability. The results of performance contracting have been mixed. In some countries, there has been a general and sustained improvement in Public Enterprise improvement, while in other countries some Public Enterprises have not responded or have been prevented by government policies from responding.

In implementing performance contracts, the common issues that were being addressed include the following. Improve performance to delivery, quality and timely services to the citizen in the case of government departments and government owned corporations; improve productivity in order to maximize shareholders wealth in the case of public traded companies; and reduce or eliminate reliance on the exchequer for recurrent and development expenditures by government owned corporations; instill a sense of accountability and transparency in service delivery and the utilization of the country's resources; give autonomy to government agencies without being subjected to the bureaucracies and unnecessary procedures (red-tape) which hampers efficient and effective delivery of goods and services to the customers, and ensure that government owned agencies become competitive and profitable especially in this global and competitive environment ( Kobia & Nura, KIA 2006).

### **2.3.1 The Contract Plan Experience in Africa**

In little more than a decade, Ghana has transformed the structure and strategy of its rural water supply sector. By 2000, district assemblies and communities played a significant role in planning supplies. The new policy and structure has attracted extra funds, and work is accelerating. This reform process started with an extended dialogue with the major stakeholders in the sector, out of which a new rural water and sanitation policy was

developed. The policy was then implemented in several large pilot projects, supported by a number of external agencies, and finally the lessons from those projects were incorporated into the national and international NGOs which were contracted to build the capacity of local-level NGOs and Civil Society Organizations (CSOs). The Community Water Supply Agency (CWSA) was created as a facilitating agency rather than an implementer CWSA, as a semi-autonomous public sector agency, signs an Annual Performance contract with the State Enterprise Commission. It is committed to staying efficient and runs, below a 200 size staff, and highly decentralized to its ten regional offices (World Bank, 2002).

The evolution of contract plans in Swaziland can be traced back to the early 1990s period that witnessed the promulgation of the Public Enterprise (Control and Monitoring) Act of 1989 (Musa, 2001). The latter sought to establish viable control mechanisms for Swaziland's Parastatal sector amid a national outcry that public enterprises were continuing, unabated, to be a financial as well as an administrative burden on the government (Musa, 2001). However, the performance agreement of the early 1990s failed to achieve its stated objective i.e. to improve the performance of the public enterprises.

This was because of widespread use of consultants in the formulation of contract plans, including the determination of mechanisms for their monitoring and evaluation. Public enterprise management did not develop the necessary sense of ownership and commitment to the success of the enterprise on contracts.

Lessons of experience with regard to the use of outside consultants, expert or advisors, especially from developed countries, in the formulation of development plans, have shown that while they may be knowledgeable about certain issues and areas that are generic to their field or specialization, they often lack an intimate knowledge of the unique socio-political and economic circumstances confronting individual countries, especially those of the third world (Musa, 2001).

The performance contract system for public enterprise was introduced in Gambia in 1987. As a prelude to identifying those Performance Enterprise to come under the performance contract system, the Public Enterprise sector was divided into three schedules: Enterprises in which the government is a minority shareholder, enterprises in which the government is a majority shareholder or has 100% shareholding, and strategic corporation/departments.

Only Public Enterprises under schedule three were identified as suitable candidates for performance contracts. Under the first phase in 1987, the performance contracts were developed for three public enterprises only.

### **2.3.2 Lessons Learnt from Africa Experience**

In order to institutionalize and create ownership of the performance contract, Public enterprise managers and citizens should be involved and let them manage the process rather than external expatriates with limited knowledge of the various economic and socio-political dimensions of the African countries involved. Secondly, recognize the great need to allocate adequate resources to achieve the set targets. Thirdly, select few realistic targets rather than too many objectives attempted at once, and finally



government should honor their financial commitment to the enterprise (Kobia & Nura, KIA 2006).

## **2.4 Performance Contracting in Kenya as a Strategy for Performance Improvement in the Public Service**

In order to move the implementation of the Public Service Reforms Program (PSRP) forward, the Government of Kenya developed and launched the Performance Improvement Strategy in the Public Service in 2001. The Strategy sought to increase productivity and improve service delivery. It outlined the actions that were necessary to imbed long lasting and sustainable change in the way public services are offered. Underpinning this strategy was the Results Oriented Management (ROM) approach, which makes it necessary to adjust operations to respond to predetermined objectives, outputs and results. The adoption of this approach therefore demanded a paradigm shift in Government. This called for a transformation from a passive, inward-looking bureaucracy to one which is pro-active, outward looking and results oriented, one that seeks 'customer satisfaction' and 'value for money'. Consequently, the ministries and all departments were required to develop strategic plans which reflected their objectives derived from the 9<sup>th</sup> National Development Plan, the Poverty Reduction Strategy Paper and based on the Medium Term Expenditure Framework (MTEF), Sectoral Priorities and Millennium Development Goals (Kobia & Nura, KIA 2006).

### **2.4.1 Managing for Results**

Introduction of Results Based Management (RBM) is to ensure that the public sector is transformed into being more focused and responsive to the needs of those it serves. The results will be a sector directing its energies towards delivering targeted results

for Kenyans and utilizing resources more productively. The quality and productivity of expenditures and investment will be improved to ensure cost effectiveness and value for money. Results Based Management is about institutional as well as individual performance, both in quality and quantity. The key elements of RBM are as follows. First is the process of setting performance targets for ministries or departments, groups or individuals in carrying out specific work assignments. Secondly is Performance planning which involves the process of establishing a shared understanding of what is to be achieved, and how it is to be achieved and managing resources to ensure successful implementation. The other key elements are Performance monitoring and reporting, and Performance appraisal, the process of evaluating organization, group or individual performance against predetermined targets.

The framework for managing for results is at three levels namely: National, Organizational (ministries and institutions) and individual. Embedded in the RBM framework are two key components to ensure its success, a performance management information system and a strong enforcement mechanism. The framework is a key part of government's commitment to improving the performance of public service delivery and is based on agreed national principles and values (Kobia & Nura, KIA 2006).

## 2.4.2 Result Based Performance Management Cycle

The figure below illustrates the performance management cycle and identifies the position of performance contracting in the cycle.

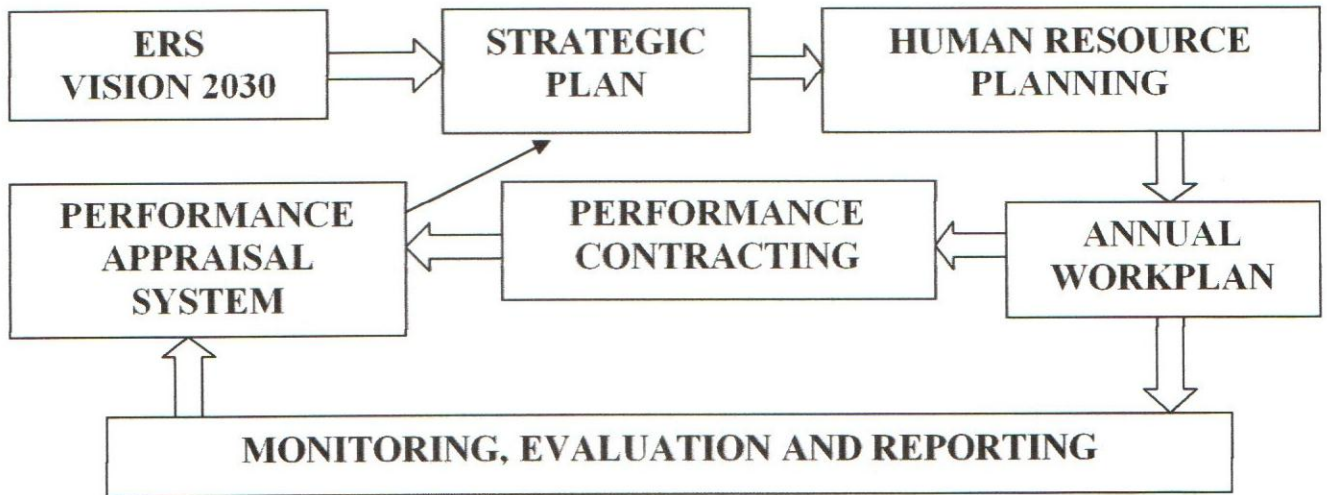


Figure 2.1 Performance Management Cycle – (Kobia & Nura, 2006)

In order to provide a mechanism that supports the achievement of Economic Recovery Strategy (ERS) and achievement of Millennium Development Goals (MDGs), all ministries and public enterprises must develop a Strategic Plan and strive to achieve its mission and objectives. Strategic Planning in all public sector organizations should therefore aim at strengthening and looping linkages with policy, planning and budgeting. The human resource function needs to be aligned with the strategic goals of the organizations. Individuals derive Individual Work plans from the strategic plan. It is this Work plan that forms a basis for the Performance Contract, which is then implemented, evaluated and the information used to inform decisions on performance improvement. However, this process has not been without challenges. First, there is witnessed an absence of clear, well-formulated objectives based on strategic plan.

This makes it difficult to assess organizational and individual performance. Second, public enterprises develop strategic plans without involving all stakeholders, which leads to lack of ownership and in turn makes it difficult to achieve strategic objectives (Kobia & Nura, KIA, 2006).

### **2.4.3 Rationale for Re-introduction of Performance Contracts**

Performance Contracts originated from the perception that the performance of the Public Sector has been consistently falling below the expectations of the public. Performance Contracting is part of broader Public Sector reforms aimed at improving efficiency and effectiveness in the management of public service. The problems that have inhibited the performance of government agencies are largely common and have been identified as excessive controls, multiplicity of principles, frequent political interference, poor management and outright mismanagement (RBM Guide, 2005). While several approaches have been used to address these challenges, it is hoped that performance contract will be an effective tool for managing productivity.

The fundamental principle of performance contracting is the devolved management style where emphasis is management by outcome rather than management by processes. It therefore provides a framework for changing behaviors in the context of devolved management structures.

Governments all over the world view performance contracting as a useful vehicle for articulating clearer definitions of objectives and supporting new management monitoring and control methods, while at the same time leaving day-to-day management to the

managers themselves. It organizes and defines tasks so management can perform them systematically, purposefully and with reasonable probability of achievement. Performance Contracts are based on the premise that what gets measured gets done, if you cannot see and measure success, you cannot reward it, if you cannot recognize failure, you cannot correct it and if you can demonstrate results, you can win public support.

The government has adopted Performance Contracting in the Public service in order to ensure that there is reduction or altogether elimination of reliance on exchequer funding for government agencies which are expected to generate revenue or make profit. It is also an objective basis for divesting loss making government agencies; it will also compel the agencies to give a return to the shareholders by paying dividends or surplus. The process will ensure that government ministries/departments improve service delivery to the public (Kobia & Nura, KIA 2006).

#### **2.4.4 The Objectives of Introducing Performance Contracts in Kenya**

In order to improve service delivery to the public by ensuring that top-level managers are accountable for results. It is also aimed at reversing the decline in efficiency and ensuring that resources are focused on attainment of key national policy priorities of the government (parachuted projects). Thirdly, is institutionalizing performance oriented culture in the public service through introduction of an objective performance appraisal system. The other objective is to be able to measure and evaluate performance. There is also the need of linking reward to measurable performance and also facilitate the attainment of desired results.

The introduction of Performance Contract will instill accountability for results at the highest level in the government as well as ensure that the culture of accountability pervades all levels of the government machinery. Lastly, so as to strengthen and clarify the obligation required of the government and its employees in order to achieve agreed targets ( KSTM 2004).

#### **2.4.5 Genesis of Performance Contracting in Kenya**

The concept of Performance Contracting was first introduced in the management of State Corporation in 1989. A Parastatal Reform Strategy Paper, which was approved by cabinet in 1991, was the first official recognition of the concept of Performance Contracting as it was part of the following policies that were recommended to streamline and improve the performance of State Corporations; Divestiture or Liquidation on non-strategic Parastatals, contracting out Commercial activities to the private sector, permitting private sector competition for existing state monopolies, and the improvement in the enabling environment of all strategic parastatals including removal of potentially conflicting objectives. Performance Contracts, where applicable will be used to make transparent the cost of social services and to compensate the parastatal for their net costs.

The first two parastatals to be on Performance Contracting were Kenya Railways Corporation and the National Cereals and Produce Board. Kenya Railways signed Performance Contracts in April 1989 and National Cereals and Produce Board in November 1990 (Kobia & Nura, KIA 2006).

#### **2.4.6 Outcome of the two Performance Contracts**

The Performance Contracts of Kenya Railways Corporation and the National Cereals and Produce Board eventually failed due to the following three reasons. Lack of political goodwill to drive this process as it was perceived as donor-driven. Secondly, the Performance Contracts did not conform to the requirements of the three sub systems of performance contracts as they lacked the performance incentive system. There was no provision for the impact of external factors such as changes of GoK policy, inflation, exchange rate fluctuations that would have made evaluation fair (Kobia & Nura, KIA 2006).

#### **2.4.7 Re-introduction of Performance Contracting**

Kenya decided to re-introduce performance contracting in 2003. The initiative to introduce Performance Contracts in Kenya came from H. E. the President and was clearly spelt out in the Economic Recovery Strategy for Wealth and Employment (ERSWEC).

In August 2003, the government appointed a Committee to spearhead the introduction and implementation of Performance Contracts namely the Performance Contracts Steering Committee. The government made a decision to introduce Performance Contract in State corporations on a pilot basis in 2004. Sixteen State Corporations signed the Performance Contracts by December 2004. The criteria for selecting the pilot companies included representation of diverse sectors and corporations with Strategic Plans. Following the success in implementing performance contracts in state corporations, the government extended the process to Public Service beginning with Permanent Secretaries and Accounting Officers.

Further, in April 2005, government decided to place the management of 175 Local Authorities on Performance Contracts. Accordingly, five major municipalities completed Performance Contracts on 30<sup>th</sup> September 2005 on pilot basis, these are: City Council of Nairobi, Mombasa Municipal Council, Eldoret Municipal Council, Kisumu Municipal and Nakuru Municipal Council. The remainder signed Performance Contract on 30<sup>th</sup> June, 2006 (Kobia & Nura, KIA 2006).

#### **2.4.8 Expected Outcome of Performance Contracting**

The reintroduction of Performance Contracting was expected to lead to improved performance, decline in reliance on Exchequer funding and increased transparency in operations and resource mobilization. It was also to achieve increased accountability for results, linking reward on measurable performance, and reduced confusion resulting from Multiplicity of objectives. Also, clear apportionment of responsibility for action, improvement in the correlation between planning and implementation, creating a fair and accurate impression on the performance, greater autonomy, and creation of enabling legal and regulatory environment (KSTM 2004).

#### **2.4.9 Impacts of Performance Contracting in Kenya**

The implementation of Performance Contract began in 2004 and was faced with several difficulties such as resentment by the unions, and the unwillingness of civil service employees to sign Performance Contracts. Since implementation of the process of Performance Contracting began only in 2004, the real impact of the process is yet to be fully visible.



However, there is clear evidence of radical improvement particularly in the following aspects of the management of Public Service; Significant improvement in service delivery and operations by such ministries as Immigration and Registration of Persons, Agriculture, Provincial Administration and Internal Security, Health, Finance and Water. Unprecedented improvement in service delivery and operations by the bulk of state corporations and statutory boards, among them, KenGen, Kenya Power and Lighting Company Limited, Kenya Ports Authority, Kenya Utalii College, National Oil Corporation of Kenya, KICC etc (Kobia & Nura, KIA 2006).

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## **2.5 Empirical Studies**

### **2.5.1 Problems and Prospects in the Kenya Public Service**

Mpande L.D. (1975) carried out a research on MBO with the objective of establishing to what extent MBO was functioning effectively and what constraints on its applicability if any, do in fact exist in the public as distinct from the private sector. He examined conditions in other organizations where MBO was not known to exist. In the case of former organizations, the focus of the research was on the problems the agencies were, in fact experiencing with MBO. With respect to the later organizations, the research concentrated on the potential of the said organizations if they were in the future to adopt MBO.

The scope of the study covered three elements of MBO which were chosen to constitute the framework of analysis. Those which were concerned with the following; how long and short-term objectives were constructed, implemented, and made sure that both types of objectives were carried out in terms of physical scope. Only five organizations were analyzed including the Directorate of personnel management, the Government Printer, the Maize and Produce Board and the Ministries of Agriculture and Health (Ibid).

The following were found to be the various misconceptions about MBO gathered before and during the research. The first misconception is that MBO is exclusively applicable to civil service. Secondly, in Kenya civil service, it is not possible to set out sub – objectives without running the risk of acting contrary to a high authority such as secretary or a head of department or section in ministry.

Thirdly, that MBO is concerned exclusively with one of the following: the setting of objectives, accountability or control, motivation, or implementation or achievements of results.

Lastly, MBO is not a new administrative system – it has always been there. According to the author such view point to the fact that the concept of MBO is not correctly understood. Thus there was need to understand the concept of MBO by analyzing each one of the views (Ibid).

The first statement is based on the erroneous assumption that MBO is concerned exclusively with quantitative aspects of the administrative function. This function is easily quantifiable in the private sectors because of the following. Administrative efficiency in most organizations in that sector can easily be measured through the figure shown in profit and loss account. A majority of operations in these organizations are performed by means of machines fitted with automatic calculators of speed and production units (Ibid).

Most organizations in that sector produce countable units. But the fact that it is easier to measure administrative performance in the private sector should not mean that MBO is inherently inapplicable to public sector organizations where, on the whole it is relatively less easy to measure output, if anything it ought to suggest that MBO is more needed there. In addition MBO is more interested in mans contribution to the process of production, rather than in that of machines.

This is largely due to the fact that MBO is concerned to increase employee motivation by evaluating man – that is his performance as accurately as possible (Ibid).

The view expressed in the second statement gives the impression that MBO cannot be practiced by any of the members of a government agency who are not at the same time responsible for policy-making particularly the Permanent Secretaries, Secretaries, Senior Administrative and Technical officers, and Head of Units.

In any organization, there is normally a group of persons charged with making of long-term objectives for the organization that involves strategic decisions while the other group is largely charged with executing and/or implementing the policies into reality through short-term planning and the making of tactical and executive decisions. Thus to conceive an organization where either of the groups does not exist tantamount i.e. having either a headless or a limbless organization. The division of organization into two such groups seems logical more particularly because the needs of the process of decision making and implementation of policies would otherwise be impossible to satisfy given its magnitude (Ibid).

He asserts that MBO is a goal setting sub-system in the service of the policy-making sub-system, is not expected to, operate contrary to the later. It is expected to influence the later, either through informal means or the instrumentality of a communication feedback. The third statement revealed another deficiency in the view held of MBO. For MBO is not exclusively concerned with delegations. Motivation, planning or indeed any other element of administration. However to make it more effective it has to be tied to accountability. The last statement also reflects partial outlook on MBO.

This partial view of it is common with most practitioners who tend to focus attention on the formal aspects of this administrative system, and thereby overlook the dynamic elements that ought to go with the former. He concludes that for an MBO system, like any other system of administration to have a personality organizational man should dynamically organize and inter-relate organizational elements so that a distinctive pattern is formed. An effective MBO system should have the following aspects; Decision making concerned with corporate and long-term planning and formulation of pre-formed, strategic and policy decisions concerned with divisional short-term planning, and operational/tactical decisions. Control mechanism not meant to suppress or hinder individual administrative action but rather a progressive regulatory mechanism supporting and guiding actors. Positive control should involve comparing alternatives, the testing, verifying and weighing organizational goals, the quantifying of results and measuring of individual performance, jointly hence accountability is automatically established. Quantification or qualifications of results is necessary to establish successes or failures participative ventures should be put in place to carry out any of the activities – “Taylor’s functional management” (Ibid).

**Co-ordination:** This means harmonization of all the activities of an organization. This is achieved by according things and actions their rightful proportions and adopting means to ends. Here emphasis is placed on collaboration between administrators at all levels of an organizational hierarchy.

**Communication:** Communication in an MBO system is not governed by formal aspects of the organizations such as authority and departmentalization, rather employees

communicate with one another on the basis of given tasks the nature of which happens to draw them horizontal or, indeed, may take any form, depending on the nature of the business in hand.

**Delegations:** This is what Taylor called “Management by Exception”. MBO system believes in delegation but only as long as it is effected such that; there is equity of responsibility with authority. Person delegating retains authority. The extent to which delegation can go down the hierarchy is not restricted to the middle management level; it can descend as far down as possible for the two above-mentioned principles to reign.

**Leadership:** MBO concept of leadership emphasizes the importance of participation and partnership in performing any organizational activity. The leadership style relies mostly on an all-direction communication system and not on a system of downward-flowing and upward flowing reports.

**Organizing:** These involve harmonization of individual employee’s emotional desires with the organizational goals. This is intended to keep the workers sufficiently happy, to carryout organizational activities to the best of his/her ability. This fact is consistent with Max Weber’s view, which upholds the pre-ponderous of organization goals over individual objectives, is acceptable only in so far as doing so contributes to improved worker performance.

**Motivation:** MBO system emphasizes that motivation can only be achieved by allowing all concerned to participate in planning, performance evaluation, and so on.

MBO views motivation as a dependent variable of participation by all concerned in the above-mentioned organizational process (Ibid).

As revealed in the research, the implementation problems encountered in public-sector organizations where MBO has been given an extended trial and likely to be encountered in other organizations where it may be introduced in future include the following; A rather high degree of centralization. Few persons are involved in the introduction and subsequently the practice of MBO. This has made MBO appear an exclusive or “Club” after, thereby alienating from it a majority of employees who are directly involved in the execution of tasks. External Bureaucratic interference quite often the demands of certain other important government agencies have interfered with the meeting of time deadlines, usually on account of “urgent” or overriding considerations.

Low-level intra departmental co-operation; There is rather low co-operation among the units occasionally did any realization of target times and production levels. This is brought about by non-collaborative manner in which sub- objectives are set and unfreeze interpersonal interaction quite evident in the civil service i.e. restrictive civil service “culture”. Excessive paper work; Amount of paperwork involved in running an MBO system discourages many participants.

It was concluded that non-of the listed problems above was sufficient weight enough to justify the view that MBO is inherently inapplicable to the public service (Ibid).

### **2.5.2 Attitudes Towards Implementation of Performance Contract**

In a survey carried out by Kobia & Nura (KIA 2006) among civil servants who were course participants in KIA, a majority of the respondents 179 (63.9%) felt that the

performance contracts has helped improve communication with the public while 164 (68.6%) agreed that performance contract would increase accountability among public officers. An overwhelming majority 217 (77.5%) of the respondents felt that performance contracts had introduced setting of the individual job expectations and staff performance plans. Over 166 participants felt that as a result of performance contract, performance targets are fairly distributed in their departments. A majority 205 (74.2%) of the respondents indicated that with the introduction of performance contract, public servants are increasingly seeking to multi-skill and diversify to remain on the job. Over 60% of the respondents indicated that with the implementation of performance contracts, public servants are more involved in decision making, felt evaluation of the performance is done fairly, they knew where to seek assistance concerning meeting the targets and has assisted in understanding government policy documents. However, over 174 (62.1%) respondents indicated that they do not have adequate resources needed to meet their targets.

### **2.5.3 Challenges of Implementing Performance Contracts in Kenya**

To investigate participant's experience with the implementation of performance contract, several questions were asked regarding whether the participants had signed performance contracts with their supervisor and whether they had experienced any problems with implementation of the performance contract.

Some of the problems experienced during the implementation of the performance contract include lack of adequate resources, resources not being released on time, some performance targets were highly ambitious and unplanned transfer of staff.



Respondents went ahead to suggest ways of ensuring performance contract is successful in their workplace. Some of the suggestions given by a significant (over 30) number of participants include continuous training on Performance Contract, allocation of adequate resources, develop a reward system for performers, increase salaries, enhance teamwork and availing the resources on time in that order ( Kobia & Nura, KIA 2006).

#### **2.5.4 Lessons Learned and Recommendations**

In general, performance contracting has induced the public service to become more oriented towards customers, markets and performance, without putting the provision of essential public services into jeopardy. The introduction of contracts and management by results is used to increase the performance as it emphasizes better human resource management. Performance management strategies pursue three objectives namely, saving, internal management improvement and better accountability (OECD, 1997). Some of the lessons drawn from the Kenyan experiences as well as from literature reviewed include the following.

A solid legal framework which sets out the basic premises and the status of the contract, may avoid ad hoc and fragmented solutions. The current arrangement lack enforcement legal capacities. Sanctions can be questioned as in the case of the 7 senior officers from Kenya Revenue Authority who are seeking legal redress after jobs were terminated as a result of not meeting their performance targets. Stability of resources enhances the motivating effect of the contract.

When resources are not available or availed late, the staff involved gets frustrated. The majority of respondents in the public service expressed this view. The political top must respect the operational autonomy of the contracted organization/ministries. Knowledge of strategic planning, development of work plans and monitoring capacities among the staff is central to the success of Performance Contract and the management support and their technical knowledge is crucial. Contract management should be accompanied by performance oriented change in the public service structure and management culture. Culture that empowers staff to embrace and manage change is necessary. Management instruments, focusing on performance and cost in the field of human resources and financial management should be developed in an integrated manner.

There is need for a good definition of outputs and solid performance measures. This requires a well-defined training program for the public servants to support implementation. Other instruments of control such as quality of service charters and regulations concerning transparency and accountability must complement performance contracting. Performance Contracts tend to emphasize competition among staff to meet their targets. Competition if not well controlled may bring conflicts with values hence interfere with organization culture.

Performance contracting is not a substitute for poor management. Performance Contracts will only succeed where best management practices are practiced.

Top management key competencies and participatory approach to decision making is crucial. There should be regular evaluations and audits of benefits and drawbacks of the

implemented contract in order to learn from experiences. Differences in implementing contexts may provide different learning experiences.

For example, Canadian experience may not fully work very well in some African countries hence the need to consider the regional context. The early years of implementing Performance Contract are difficult both for the staff and management. A degree of tolerance from the management may sustain the momentum. Mistakes are likely to be made but what is crucial is drawing lessons for innovations and creativity for future performance improvements (Ibid).

## **2.6 Efforts towards Improvement of Service Delivery in Provincial Administration**

The core functions of Provincial Administration include the promotion of statehood and nationhood, maintenance of law and order, and; dissemination and interpretation of Government policies, peace building and conflict resolution, management of National Disaster Operational and coordination of disaster response. Between 2004-2005, the Kenya Anti-corruption Commission (KACC) conducted a Corruption Perception Survey whose findings reflected Office of the President as the most corrupt Ministry (Office of the President 2006).

Following the KACC report, the political, policy and technical leadership from all Ministries in Office of the President met on 24<sup>th</sup> July, 2006 and promised Kenyans that more comprehensive Service Improvement Action Plans and Anti-Corruption Strategies would be developed and implemented to address the challenge. The Strategic Action Plans with targeted Thematic Areas were launched within the 100 Days Rapid Results

Initiative which commenced on 6<sup>th</sup> September, 2006 whose theme was “Huduma Bora ni Haki Yako.”

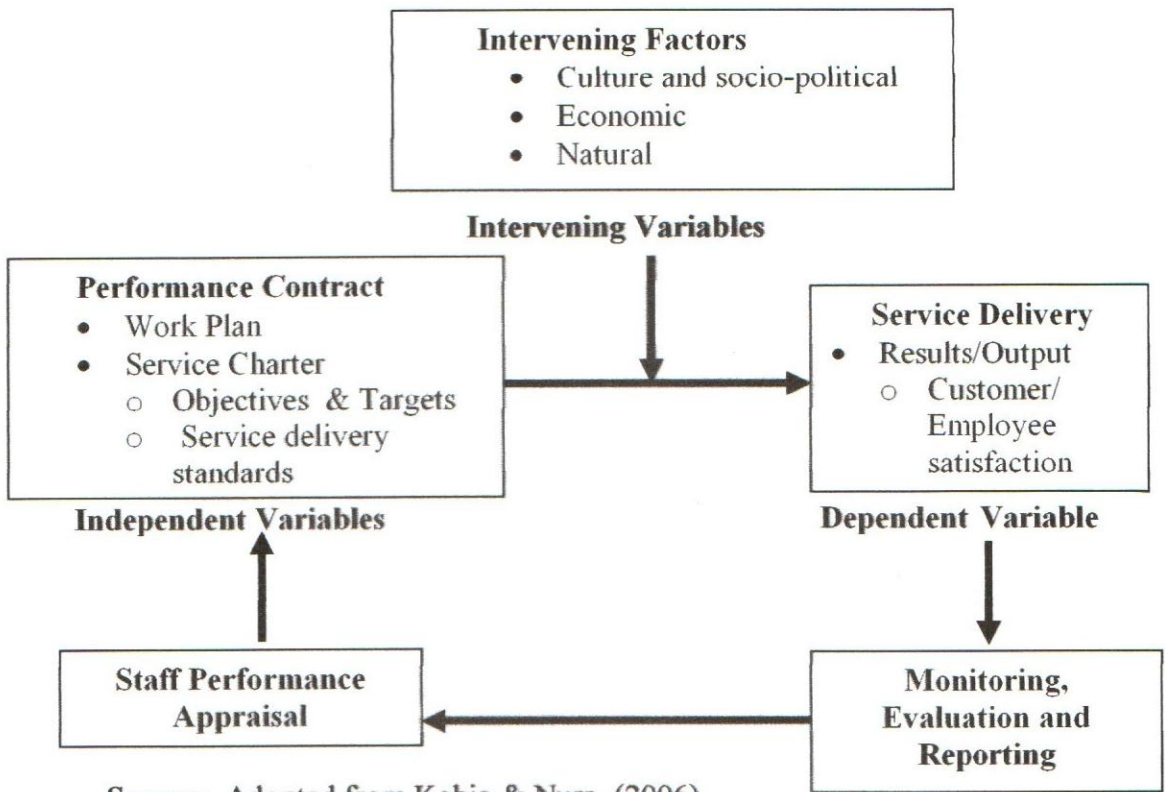
The launch was preceded by identification of key service points, corruption prone areas and interventions, and devising strategies and techniques for rendering ethical and quality services and results to the customers. The Office of the President which then comprised of five Ministries namely Provincial Administration and Internal Security, Immigration and Registration of Persons, Cabinet Office, Public Service and Special Programmes identified the RRI approach as one of the most effective tool of changing the poor public perception through improved service delivery and adherence to work ethics in service delivery to the Ministry’s customers. The focus therefore was on quality and ethical services because majority of Kenyans affected by the corruption perception are those seeking various services from the offices down to the grass root level. During these 100 RRI days the Ministry of State for Provincial Administration and Internal Security not only identified the challenge areas but also the corruption prone areas. In this respect the Ministry adopted the theme “Huduma Bora ni Haki” to rally Kenyans to demand for efficient and timely services from all offices from the national to the village level. The challenge areas include; Customer Care and Image Reinventing, Development and Implementation of Service Charter and Introduction of Community Policing; Development of Information, Education and Communication Strategy, Development of Anti-Corruption Strategy to address corruption and Introduction of Performance Appraisal System to serving officers (O.O.P, RRI, 2009).

The second RRI phase identified thirteen service delivery areas to be addressed while the third RRI phase which was implemented from May, 2010 tackled five service

components. These RRI phases have been implemented with an objective to accelerate the attainment of service delivery targets in various areas of concern.

## 2.7 Conceptual Framework

Figure 2.2 Performance Contract Implementation Cycle of factors which influence service delivery levels.



Source: Adopted from Kobia & Nura, (2006).

In the diagram above is a cycle showing the implementation process of Annual Performance Contract. The performance contract contains objectives and specific targets of the department which in turn are used by individual officers to prepare their work plans for delivery of services. All officers up to the sub-location level implement their work plans guided by the department's Service Charter which is customized to every level. The department also has core values which officers are expected to uphold as they deliver services.

The objectives and targets of the performance contract together with the service charter therefore determine the quality of service delivery (results), hence influencing achievement of customer satisfaction level.

However, during the implementation of a work plan, there are some intervening factors which to some degree may influence the attainment of the targets. These intervening factors which could be beyond the control of employees are; culture, social, political, economic and natural occurrences. They include influences by organizational and people's culture, political interference or lack of political good will, the impact of both unforeseen economic and natural factors such as inflation, economic policies, and drought or famine and floods.

In the implementation process of the department's Performance Contract, there is regular Monitoring, Evaluation and Reporting. Monitoring takes place quarterly but can also be done on ad hoc basis while evaluation is carried out at the end of every quarter and year. Reporting on the progress made in the implementation process of the Performance Contract is done quarterly and annually. Staff performance appraisal is carried out for each employee against his or her individual performance contract or work plan targets to determine the extent of their achievement. The staff appraisal takes place at the mid and end of year. At the beginning of another financial year, a new cycle of implementing a new performance contract starts. On the basis of the outcome of both Evaluation and staff Performance Appraisal together with the department's priorities, new targets are agreed upon at various levels of implementation of a Performance Contract.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Research Design

A research design is an arrangement of conditions for the collection and analysis of data in a format that combines their relationship with the purpose of the study to the economy of procedures (Chandran, 2004).

A descriptive Survey research design was used in the study. This research design was chosen because it allows descriptive statistics analysis and comparison to be performed (Kathuri and Pals, 1943). In addition, surveys are effective in obtaining information about peoples' attitudes, opinions, habits and feelings. Finally, a survey is appropriate in collecting information that can be generalized for a population.

#### 3.2 Study Area

The study was carried out in Teso North District of Western Province, Kenya. This area was purposively selected because Performance Contract concepts were implemented in the District from 2006 when the strategy was adopted in all the districts across the country. The District covers an area of 271 square kilometers with a projected population of over 100,000 people according to the District Development Office, Teso North (2009). The District has two divisions namely, Angurai and Amagoro, with 17 locations and 44 sub-locations. Angurai has nine locations and twenty-three sub-locations while Amagoro has eight locations and twenty one sub-locations.

#### 3.3 Target Population

A total of 90 Provincial Administration staff and 400 members of public who on average visit Provincial Administration offices per day, making an accumulative sum of 490 formed the target population.

### 3.4 Sampling Procedure

The study used multi stage sampling technique. Purposive sampling was applied to select respondents from the members of the public. Stratified random sampling was used to pick respondents from employees of provincial administration. The study was based on a sample size of 30% of the target population that is 147 respondents. Gay L.R. (1981) asserts that for descriptive surveys, at least 10% of the target population is enough for analysis. Proportionate sampling was used in determining the sample size of members of public and Provincial Administration respondents respectively as shown below:

Sample size determination:  $30/100 \times 490 = 147$

Proportionate sample stratification: 120 members of the public and 27  
Provincial Administration employees.

### 3.5 Data Collection Method

The study used both primary and secondary data. Primary data was gathered directly from respondents by use of a questionnaire that consisted of both open and closed ended questions. The questionnaire was dropped and picked from the respondents after one week. The Validity and reliability of the questionnaire was established through test-retest technique on 20 respondents who were not part of the sample study. The Spearman's Rank Order Correlation Coefficient ( $r$ ) was used to establish reliability of the questionnaire.

The questionnaire had three sections; A, B and C. Section A targeted all respondents and covered personal information of the respondents including designation, age, education level and period of residence in the District of study.



The second section also targeted all respondents and it sought information on the frequency of visits to Provincial Administration offices and purposes of these visits. This section also gathered information on respondents' perception rating of Provincial Administration staff efficiency in service delivery, and whether and to what degree the implementation of performance contracting has been effective in improving efficiency in service delivery by Provincial Administration department. Lastly, it also elicited information on effectiveness of various channels of communication in disseminating Government policy to the public. The last section targeted the members of staff of Provincial Administration only. This section was used to gather information on level of training hence the level of competence of staff in implementing performance contracts. The section also gathered data on the level of implementation and extend of involvement of staff in performance contracting aspects. In this section, the staff also gave information on their perception of effectiveness of performance contracting on service delivery, their level of satisfaction on various job aspects and suggestions to improve implementation of performance contract. They also provided information regarding the challenges and intervening factors they face while implementing performance contract. Secondary data was collected from official documents in the offices of the District Commissioner, District Officers, Chiefs and Assistant Chiefs.

### **3.6 Reliability and Validity of the Research Instruments**

Reliability and validity of the instruments were considered prior to the use.

### 3.6.1 Reliability of Instruments

Prior to the actual collection of the data, the researcher pre-tested the questionnaire using twenty respondents who were not among those who participated in the actual study to establish its reliability. According to Somner and Somner (1997) pretesting is the best way to minimize ambiguity hence clarity and ascertain responses to the style and content of the questions. The purpose of the pilot study was to enable the researcher to improve the reliability of the instrument, and familiarize himself with its administration.

Borg and Gall (1989) define reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The questionnaire was administered to a group of twenty pilot respondents twice, with a break of one week, and then calculating the correlation coefficient ( $r$ ) for the two tests. To do this, the Spearman's Rank Order Correlation Coefficient ( $r$ ) was used. In order to obtain ( $r$ ), the following formula was used:

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

Where;	$x$	=	scores on test 1
	$y$	=	scores on test 2
	$\sum x$	=	sum of $x$ scores
	$\sum y$	=	sum of $y$ scores
	$\sum x^2$	=	sum of squares of $x$ scores
	$\sum y^2$	=	sum of squares of $y$ scores
	$\sum xy$	=	sum of product of $x$ and $y$ scores

N	=	sum of paired scores
r	=	correlation coefficient

After computation, a correlation coefficient of 0.79 was obtained. According to Gay (1992), a correlation coefficient of at least 0.7 for the two halves is considered sufficient. Thus the questionnaire was accepted as reliable.

### **3.6.2 Validity of Instruments**

Validity is defined as the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from the analysis of the data actually represents the phenomena under study. According to Borg and Gall (1989), validity is the degree to which a test measures what it purports to measure. Two types of validity were tested: face validity and content validity. Face validity refers to the likelihood that a question will be misunderstood or misinterpreted. Pre-testing a survey is a good way to increase the likelihood of face validity (Wilkinson, 1991). The pilot study was used to identify those items that could be misunderstood, and such items were modified accordingly, thus increasing face validity. Content validity refers to whether an instrument provides adequate coverage of a topic. Expert opinions, literature searches, and pre-testing of open-ended questions help to establish content validity (Wilkinson, 1991). The researcher prepared the instruments in close consultation with his supervisors and lecturers, whose expert judgment helped improve content validity.

### **3.7 Data Analysis Procedures**

Data collected from the field were sorted and coded for analysis. Descriptive statistics was used to analyse data particularly in summarizing the response data in terms of

proportions, frequencies and percentages. Bell (1993) maintains that when making the results known to a variety of readers, simple descriptive statistics such as percentage have a considerable advantage over more complex statistics, since they are easily understood. The results of data analysis were presented in tables where a Likert scale of 1 to 5 was used.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS ON FINDINGS.

#### 4.1 Overview of the Analysis

In the study 147 questionnaires were distributed to the respondents who were categorized into two strata, that is members of public and the Provincial Administration staff. In total 112 questionnaires were returned representing 76.19% response rate. This rate represented 78.57% members of public and 21.43% Provincial Administration staff. There were 75.89% and 24.11 % male and female respondents respectively.

According to the research, a District Commissioner, one District Officer, five Chiefs, twelve Assistant Chiefs, a District Clerk, a Procurement Officer, one Human Resource Officer, four Clerical Officers and a driver were targeted as a result of stratification sampling. These results are summarized in the table 4.1 below.

**Table 4.1: Respondents Analysis**

Male respondents	75.89%	Female respondents	24.11%
Members of public	78.57%	Members of Province Administration	21.43%

**Source:** Field Survey 2011

With regard to age, 10.71% respondents were aged between 18-24 years, 20.54% aged between 25-34 years, 28.57% between 35-44 years, 30.36% between 45-54 years and a paltry 9.82% were over 55 years. Thus in terms of age distribution, the questionnaire was even. The needs of the various individuals in regard to service delivery differ significantly as the age increases.

**Table 4.1.1: Age bracket of respondents**

<b>Age bracket (yrs)</b>	<b>Respondents</b>	<b>% of responses</b>
18-24	12	10.71
25-34	23	20.54
35-44	32	28.57
45-54	34	30.36
Over 55	11	9.82
<b>Total</b>	<b>112</b>	<b>100%</b>

**Source:** Field Survey 2011

It was also noted that majority of respondents had attained K.C.S.E education, that is 47.32%, Diploma holders 21.43%, K.C.P.E 13.39%, Bachelors degree 8.93%, while K.J.S.E. were 6.52%, Masters degree 1.79%, K.C.E and Doctorate degree had no respondents. This therefore implies that majority of respondents were able to read and interpret the questionnaire as well as respond accordingly and that their service needs differ proportionately in regard to their academic levels.

**Table 4.1.2: Educational levels attained by respondents**

<b>Educational levels</b>	<b>Number</b>	<b>% of respondents</b>
Masters	2	1.79
Bachelors Degree	10	8.93
Diploma	24	21.43
K.C.S.E	53	47.32
K.C.P.E	15	13.39
Others	8	7.14
<b>Total</b>	<b>112</b>	<b>100%</b>

**Source:** Field Survey 2011

In reference to period of residence in the district, 1.79% of respondents had been residents for a period of below 2 years, 15.19% between 1-4 years and majority of 83.02% over 4 years. This means that the majority of the respondents have been in the district long enough to be able to note significant difference in terms of service delivery by the Provincial Administration.

#### **4.2 Analysis of Service Delivery**

Both Section B and C of the questionnaire sought to evaluate significance of performance contracting in improving efficiency in service delivery by the Provincial Administration staff and also the level of implementation of performance contracting.

The sections were also used to determine the competencies of Provincial Administration staff in execution of the performance contracts and finally the perception of Provincial

Administration staff on the Performance Contract. These sections were core to the study for they sought to address all the research questions.

In relation to frequency of visits to Provincial Administration offices by respondents, a Likert scale of 1-5 was used in the research, where 1 represented the least weight and 5 the highest weight of frequency of visits respectively, while 2, 3, and 4 lie in their middle.

The table 4.2 below shows the frequency of visits to various offices.

**Table 4.2: Respondents' rating of frequency of visits to Provincial Administration Offices for service delivery**

Office visited for services	Most frequent 5	Very frequent 4	Frequent 3	Fairly frequent 2	Not frequent 1	Total score	Mean	Rank
Assistant chief's	35	6	16	21	17	306	3.22	1
Chief's	24	21	19	23	14	321	3.17	2
District officer's	7	16	31	22	15	251	2.75	4
DC's	19	10	15	25	24	278	2.99	3

**Source:** Field Survey 2011

It was observed that the Provincial Administration office with the highest frequency of visits was that of Assistant Chief with a mean frequency of 3.22 registering rank one. This is partly due to the fact that the office is closest to the members of the public. Therefore it is the first office in solving public issues. It was followed by offices of the Chief with a mean frequency rating of 3.17, the District Commissioner with a mean



frequency of 2.99 and lastly District Officer with a mean of 2.75. This analysis revealed that the District Commissioner's office is visited more frequently than District Officer's. This is because the DC's office provides multiple services than the District Officer's office. In addition, often the District Officer and Chief closely perform their functions. Generally, visits by the members of public to Provincial Administration offices have a mean frequency rating of 3.03 and according to the Likert scale the visits are frequent.

When asked to state the purposes of visits, the responses were as stated below.

The highest percentage of visits, 21.719% were for Birth Certificate applications followed by Identification Card applications with 18.552% then Security at 14.479% and Land matters at 13.574%. The least visits were for statutory fees at 0.452%. However when asked to state other reasons for visits, the responses included; meetings, complains, courtesy calls, consultations, seminars, official duties, invitations (summons) and bursary funds application. The high number of respondents seeking for birth certificate applications could be explained by the fact that during the period of the study the Kenya National Examination Council had made it a mandatory requirement for all KCPE and KCSE prospective candidates to possess birth certificates on registration for the respective examinations. Hence several parents or guardians who were applying for birth certificates were captured as respondents during the study. Members of public were also asked to rate their perception of efficiency of service delivery by Provincial Administration staff. Their responses were as follows in the table 4.3 below.

**Table 4.3: Public perception of Efficiency in Service Delivery by Provincial****Administration staff.**

Service Aspects	Most efficient 5	Very efficient 4	Efficient 3	Fairly efficient 2	Least efficient 1	Total score	Mean	Rank
Staff courtesy and eagerness to serve	39	36	24	6	0	423	4.029	1
Staff competence in addressing issues	19	44	29	11	2	382	3.638	3
Reliability of services provided	27	30	33	10	0	374	3.740	2
Time taken in solving issues	18	40	28	13	2	362	3.584	4
Staff sense of responsibility	30	29	32	9	1	381	3.432	5
Cleanliness and tidiness of compounds and offices	25	27	19	21	11	343	3.330	6

**Source:** Field Survey 2011

From the analysis it was noted that the service aspect that was ranked one was staff courtesy and eagerness to serve with a frequency rating of 4.029 (very efficient) followed by reliability of services provided with frequency rating of 3.740 and third was staff competency in addressing issues with a mean frequency rating of 3.638. These three service aspects thus were all rated to be very efficient as per the Likert scale.

As regards time taken in solving issues, the aspect was ranked fourth with a mean rating of 3.584, followed by staff sense of responsibility with a mean rating of 3.420 and lastly was cleanliness and tidiness of compounds and offices with a frequency rating of 3.330.

The overall rating of efficiency in service delivery of Provincial Administration offices in a Likert scale of 1-5 was 3.625 aggregate which translates to very efficient service delivery. However, there is need to improve on cleanliness and tidiness of compounds and offices as well as staff sense of responsibility.

Regarding the degree of improvement on service delivery on a scale of 1-5, where 1, represent the least weight of improvement and 5 the highest weight of improvement in efficiency of service delivery and the others 2, 3, 4 lie in their middle, the following as shown in the table 4.3.1 below was noted from the results.

**Table 4.3.1: Degree of Improvement in Service Delivery**

	$f_i$	$w_i$	$fw_i$
Most improved	21	5	105
Very improved	44	4	176
Improved	33	3	99
Fairly improved	7	2	14
Least improved	3	1	3
<b>Total</b>	<b>108</b>		<b>397</b>

$$\bar{X} = \frac{397}{108} = 3.675$$

**Source:** Field Survey 2011

The respondents noted at a rating of 3.675 a very improved service delivery. Therefore according to the scale used above, Provincial Administration is very efficient in service delivery.

This analysis revealed that performance contracting has significantly improved service delivery by Provincial Administration staff. Both the members of Provincial Administration staff and the public agreed that performance contracting has significantly improved efficiency in service delivery in Provincial Administration department.

A further analysis (Table 4.3.2) revealed that 60.71% of the respondents agreed that efficiency of service delivery has improved. This was followed by 34.82% of the respondents who strongly agreed that there is improvement in efficiency of service delivery by Provincial Administration. This analysis therefore adhered to the objective of the research.

**Table 4.3.2: The Effectiveness of Performance Contracting in Improving Service Delivery**

Degree of Agreement	Frequency <i>f<sub>i</sub></i>	Weight <i>w<sub>i</sub></i>	<i>f<sub>i</sub>w<sub>i</sub></i>	% Response
Strongly agree	39	5	195	34.82
Agree	68	4	272	60.71
Least agree	4	3	12	3.57
Disagree	1	2	2	0.90
Strongly disagree	0	1	0	0
	$\Sigma f_i = 112$		$\Sigma f_i w_i = 481$	100

$$\text{Aggregate is } \frac{481}{112} = 4.295$$

**Source:** Field Survey 2011

In regard to effectiveness of performance contracting in improving efficiency in service delivery, respondents agreed with a rating of 4.295 and by a majority (99.10%) of respondents, as shown on Table 4.3.2 above.

Thus this partly achieved the objective of research question (i), which was to evaluate the effectiveness of performance contracting on service delivery by Provincial Administration.

On being asked to compare between their previous visit and current visit in regard to efficiency of service delivery the majority of respondents, 92.86% noted improvement and only 7.14% indicated that they had not noted improvement in efficiency in service delivery.

The respondents were asked to suggest ways to further improve efficiency of service delivery and their responses were as follows; frequent training and re-training of staff, use of incentives particularly salary increments, rewards and promotions. They also suggested effective time management, effective communication with the public, and availing adequate and timely resources and equipment. Other suggestions included eradication of corruption loopholes, regular transfers of staff, recruitment of qualified staff and provision of offices to the Chiefs and the Assistant Chiefs.

When asked to rate the effectiveness of various channels of communication in disseminating of government policies the responses were as summarized in the table 4.4 below on a Likert scale of 1-5.

**Table 4.4: Respondents' ratings of effectiveness of communication channels**

Channels of Comm	Most effective 5	Very effective 4	Effective 3	Fairly effective 2	Least effective 1	Total score	Mean	Std	C.V. %
Baraza	72	15	14	5	1	473	4.420	0.952	21.52
Radio	27	13	24	10	11	290	3.411	1.383	40.55
Newspapers	10	13	34	26	19	275	2.696	1.200	44.51
Notice Boards	11	13	39	24	13	285	2.850	1.149	40.32
Television	2	11	27	30	31	226	2.240	1.069	47.72
Circular	14	9	24	18	26	240	2.640	1.395	52.84

**Source:** Field Survey 2011

It can be noted that the respondents considered Baraza as the most effective channel of transmission of government information to the public with a mean rating of 4.420 followed by radio at 3.411 and public notice board at 2.850, television was least rated at 2.240.

A further analysis to show variations in the responses pertaining to channels of information dissemination was performed by use of coefficient of variation and revealed from the table 4.4 above that Public Baraza had a mean rating of 4.420 with the least correlation C.V of 21.52%. This was followed by radio at a frequency rating of 3.411 but with a coefficient of variation of 40.55%. Television and circular were viewed as least effective means of disseminating information with C.V of 47.72% and 52.84%, respectively. The analysis therefore revealed that Baraza was rated most effective channel of communication with a consistency factor of 21.52%, the lowest percentage of the channels. This could be explained partly by the fact that Baraza is more interactive between the audience and the communicator, in addition to being a low cost channel to the audience. Television and circular are the least preferred channels.

This could be added to the fact that they are costly in terms of purchase given low purchasing power in rural areas as well as the language barrier faced by some people.

In regard to training on various performance contracting aspects, the responses are summarized in table 4.5 below, where a Likert scale of 1-5 was used.

**Table 4.5: Frequency of training of Provincial Administration Staff on Performance Contracting Aspects**

Training aspects	Most Frequent 5	Very Frequent 4	Frequent 3	Least Frequent 2	Not attended 1	Total score	Mean	Rank
Performance contract	2	4	6	5	4	58	2.762	5
Work plans	2	4	8	5	2	62	2.952	2
Service charter	0	3	10	4	3	53	2.650	7
Performance appraisal	1	1	12	5	2	57	2.714	6
Customer care service	2	2	8	2	4	50	2.778	4
Public service integrity	2	2	7	5	2	51	2.833	3
RRI	2	6	7	5	0	65	3.250	1
IEC	1	0	5	4	9	37	1.947	8
Computer applications packages	0	0	3	4	11	28	1.555	9

**Source:** Field Survey 2011

On ranking of the Performance Contracting aspects with regard to frequency of training, as shown on the above table 4.5, it was noted that the Provincial Administration staff rated Rapid Results Initiatives (RRI) highest with a mean of 3.250, that is rank 1 and training in Work Plans came second at a mean rating of 2.952. Training in Public Service Integrity was third with a mean rating of 2.833.

The respondents indicated least training on computer application packages at 1.555, while Information, Education and Communication was rated 1.947 with ranks of 9 and 8 respectively. Generally the analysis showed that Provincial Administration staff are frequently trained (2.604) on various aspects of performance contracting.

This analysis achieved the objective of research question (iii) that sought to establish the competency of Provincial Administration staff on performance contracting. As revealed by the study, there is need for more training particularly on Computer Applications, Information, Education and Communication, Service Charter, and Performance Appraisal.

In order to compare the responses and establish consistency, Provincial Administration staff were asked to indicate the importance they attach to training aspects. The responses are summarized in the table 4.6 below.



**Table 4.6: Ranking of responses on importance of training aspects**

Training aspects	Most important 5	Very important 4	Important 3	Fairly important 2	Least important 1	Total score	Mean	Rank
Performance contract	6	8	6	1	0	82	3.905	7
Work plans	10	7	3	1	1	90	4.091	2
Service charter	8	9	4	1	0	90	4.091	2
Performance appraisal	6	9	4	0	1	79	3.950	6
Customer Care/Service	7	6	7	0	0	80	4.000	4
Public Service Integrity	9	3	7	0	0	78	4.105	1
Rapid Results Initiatives (RRI)	5	10	3	2	0	78	3.900	8
Information, Education & communication	8	6	6	1	1	85	3.864	9
Computer applications	8	6	6	0	1	83	3.952	5

**Source:** Field Survey 2011

From table 4.6 it can be noted that respondents attached a very high importance rating on Public Service Integrity with a mean rating of 4.105 and a rank of 1. Work Plans and Service Charter tied at rank 2 with a mean importance rating of 4.091 while Information, Education and Communication was ranked 9<sup>th</sup>(last) with the mean rating of 3.864 while performance contracting registered rank of 7 with a mean rating of 3.905.

On comparing the frequency of training and the rating of importance of training on performance contracting aspects, it was noted that Rapid Results Initiative had a mean

rating of 3.250 (rank 1) on frequency of training but registered a mean rating of 3.90 and a rank of 8 in terms of importance of training.

Public service integrity had a frequency of training of 2.833 and rank 3 while in terms of importance it had a mean rating of 4.105 and rank 1, Work Plans and Service Charters recorded a rank of 2 and 7 respectively in terms of frequency of training but in regard to importance of training both had a rank of 2 with a mean rating of 4.091. This analysis helped to achieve the specific objective (iii) of the research that sought to determine the level of training and competency of Provincial Administration staff on performance contracting.

The respondents were asked to indicate how often they participated in carrying out performance contracting aspects and the responses are summarized in the table 4.7. The majority of Provincial Administration staff participated in preparation of Work Plans. This had a mean rating of 4.048 (very often) followed by preparation of service charters with a mean rating of 3.706, preparation of performance contract targets and performance appraisal both tied at rank 3 with a mean rating of 3.500. Both Monitoring and Evaluation and preparation of core values were last with a mean rating of 3.100, meaning that Provincial Administration staff least participate in these two aspects among the six aspects of performance contract. On aggregate, the Provincial Administration staff had a participation rate of 3.492, hence they often participate in preparation of performance contracting aspects. However, the study revealed that there is need for the Provincial Administration staff to be more involved in aspects of monitoring and evaluation and preparation of core values.

**Table 4.7: Frequency of participation in performance contracting areas**

Performance contracting areas	Most often	Very often	Often	Fairly often	Not often	Total score	Mean	Rank
	5	4	3	2	1			
Preparation of performance contract targets	5	4	8	2	1	70	3.58	3
Preparation of work plans	9	5	6	1	0	85	4.048	1
Preparation of core values	4	2	9	2	3	62	3.100	5
Preparation of service charter	4	6	5	2	0	63	3.706	2
Staff performance appraisal	4	5	8	3	0	70	3.500	3
Monitoring and Evaluation	4	1	10	3	2	62	3.100	5
<b>Total</b>							<b>20.954</b>	

Aggregate mean is 3.492 (very often)

**Source:** Field Survey 2011

On being asked how often they use service delivery tools, the responses were often varied. As shown in the table 4.8, it was noted that Work Plans, Service Register and Customer Care Desk were very often used with a mean rating of 4.250, 4.238 and 4.111 respectively. Service Charter had a mean rating of 4.050 while most of the other tools were often used.

Disaster Preparedness and Management Strategy and Monitoring and Evaluation recorded the least mean rating of 3.000. With regard to Work Plan, a comparison with respect to frequency of training, importance of training, frequency of participation in its preparation and frequency of its use, the research revealed an interesting pattern in consistency of responses with rankings of 2<sup>nd</sup>, 2<sup>nd</sup>, 1<sup>st</sup> and 1<sup>st</sup> respectively.

**Table 4.8: Frequency of use of service delivery tools by Provincial Administration staff**

Service tools	Most often	Very often	Often	Fairly often	Least often	Total score	Mean score	Rank
	5	4	3	2	1			
Work plan	11	5	2	2	0	85	4.250	1
Service register	11	6	2	2	0	89	4.238	2
Service charter	8	7	3	2	0	81	4.050	4
Core values	6	6	5	2	0	73	3.842	5
Customer care desk	7	9	0	1	1	74	4.111	3
Suggestion box	4	8	2	3	4	68	3.238	9
Information. Education & communication	1	5	7	4	1	55	3.056	11
Crime prevention strategy	5	3	8	2	2	67	3.350	8
Prevention of drugs and substance abuse strategy	7	5	1	4	3	69	3.450	7
Corruption prevention plan	6	7	5	1	1	76	3.800	6
Disaster preparedness & management strategy	3	4	7	4	3	63	3.000	12
Monitoring and evaluation	3	4	4	4	3	54	3.000	12
Customer satisfaction survey	3	5	5	6	1	63	3.150	10
Total							46.535	

Aggregate mean is 3.580

Source: Field Survey 2011

A further analysis on Service Delivery tools was performed to establish their effectiveness. The result of the analysis is summarized in table 4.9 below.

**Table 4.9: Analysis of effectiveness of performance contracting aspects on service delivery**

Aspects of service delivery	Most effective 5	Very effective 4	Effective 3	Fairly effective 2	Least effective 1	Total score	Mean	SD	C.V %
Work Plan	7	10	3	2	0	88	4.000	0.925	23.14
Service Charter	6	8	4	3	0	80	3.809	0.964	25.31
Core Values	4	3	10	4	0	70	3.333	1.0165	30.49
Staff Performance Appraisal	4	7	6	2	0	70	3.684	0.946	25.68
Customer Care Desk	8	5	3	5	0	79	3.762	1.221	32.45
Suggestion Box	3	3	4	7	2	55	2.890	1.077	37.27
Monitoring and Evaluation	3	6	3	9	0	66	3.143	1.152	36.67
Information Education & Communication Strategy	3	6	7	4	0	68	3.400	0.9947	29.26
Customer satisfaction Survey	2	6	7	5	0	65	3.250	0.967	29.74

**Source:** Field Survey 2011

The analysis on effectiveness of Performance contracting aspects revealed that work plan had the highest mean rating of 4.00 and with the smallest coefficient of variation of 23.14%. Service Charter was 2<sup>nd</sup> with a mean rating of 3.809 and coefficient of variation of 25.31%.

Monitoring and Evaluation registered a mean rating of 3.143 and coefficient variation of 36.67%. Suggestion box attained the lowest mean rating of 2.894 and highest coefficient of variation of 37.27%.

Generally the study revealed that the service delivery tools are effective with an aggregate rating of 3.475. This analysis achieved the objective of the research. Therefore, performance contracting is effective in improving efficiency in service delivery and the Provincial Administration department staff are competent in implementing performance contract aspects.

The study in addition to determining effectiveness of service delivery aspects, also sought to establish the level of satisfaction by the members of staff of Provincial Administration on various job aspects. The analyses of responses on this aspect are as summarized in the table 4.9.1.

**Table 4.9.1: Responses on the level of satisfaction of Provincial Administration**

**staff on the job aspects**

Job aspects	Most satisfied 5	Very satisfied 4	Satisfied 3	Fairly Satisfied 2	Least Satisfied 1	Total score	Mean	Rank
Work assignment	8	6	4	1	0	78	4.105	1
Supervision	6	3	8	2	0	70	3.684	2
Equipment & Furniture	1	1	3	5	10	38	1.900	12
Physical office environment	1	0	6	5	6	39	2.167	9
Office Space	1	2	4	5	5	40	2.353	7
Sufficient & timely resources	0	2	4	7	9	43	1.955	11
Staff appraisal	2	4	8	4	0	58	3.222	4
Career progression	2	0	5	2	8	37	2.177	8
Government communication	0	1	8	4	2	38	2.533	6
Service rules & regulations	4	2	8	5	0	62	3.263	3
Disciplinary procedures	4	0	8	6	0	56	3.111	5
Performance reward system	0	1	1	7	2	23	2.091	10

**Source:** Field Survey 2011

With regard to satisfaction level on job aspects, the analysis revealed that the staff were very satisfied with both work assignments and supervision at a mean rating of 4.105 and

3.684 respectively. Service rules and regulations, and disciplinary procedures had a satisfaction mean rating of 3.263 and 3.111 respectively.

Equipment and Furniture had the least level of satisfaction of 1.900. On average the Provincial Administration staff are satisfied with all job aspects with a mean rating of 2.613.

On comparing the response rating of members of public and Provincial Administration staff with regard to efficiency and satisfaction, it was noted that the members of the public had an overall rating of efficiency on Service delivery on Provincial Administration staff of 3.626 while Provincial Administration staff had a satisfaction level of 2.713 as revealed from tables 4.3 and 4.9.1 respectively. This analysis achieved the objectives of research questions (iv) and (v).

The Provincial Administration staff was asked to suggest possible ways of improving implementation of performance contracting and they advanced varied suggestions. Key suggestions include targets set should be realistic and achievable within the time frame, involve all staff during setting of achievable targets and putting in place an effective reward system. In addition, strengthen staff training on performance contracting issues, implementation of effective monitoring and evaluation mechanisms, adequate staffing at all levels, timely provision of adequate resources, e.g. equipment ,transport and communication tools. They also suggested that parties to the contract should honour their obligations.



On being asked to rank the effects of intervening factors on performance contract, their responses are summarized in table 4.9.2 below.

**Table 4.9.2: Effects of intervening factors on performance contract**

Factors	Most effective 5	Very effective 4	Effective 3	Fairly effective 2	Least effective 1	Total score	Mean	Rank
Economic	9	8	6	0	0	95	4.130	1
Social & political	3	6	9	2	1	71	3.381	2
Culture	2	8	6	3	2	68	3.238	3
Natural	1	1	6	8	4	47	2.350	4

**Source:** Field Survey 2011.

The analysis revealed that among the intervening factors, the staff considered Economic factors to highly affect performance contracting with a mean rating of 4.130 (rank1) followed by social political (3.381) and natural factors recording the least mean of 2.36 and rank of 4. This result shows that although Provincial Administration staff work hard towards attainment of performance contracting objectives and targets, there exist factors beyond their control that may derail service delivery.

Provincial Administration staff enumerated several challenges they encountered while implementing performance contracts. Key among these challenges include insufficient resources and equipment leading to failure to achieve intended targets, unrealistic targets that are unachievable within the set time frame, delay and short notice in

communicating some information between the higher offices and the district offices, lack of adequate motivation leading to low staff morale, insufficient knowledge pertaining to Performance Contracting, delayed promotions ,difficulty in measuring some targets and retrogressive social and cultural believes.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary of the Study

The respondents agreed with a rating of 4.295 on a Likert scale of 1 to 5, that the implementation of Performance contracting has been effective in improving efficiency in service delivery by Provincial Administration department. A further analysis revealed that 60.71% of the respondents agreed while 34.82% strongly agreed that Performance contracting has improved efficiency in service delivery.

The majority of the respondents, 92.86% noted improvement in efficiency of service delivery on comparing the current to the previous visits to Provincial Administration offices. Regarding the degree of improvement in service delivery, the study revealed a very improved service delivery with a rating of 3.675 on a Likert scale of 1 to 5.

The study revealed that public perception of efficiency in service delivery was rated as very efficient, that is 3.625 aggregate. The top ranked service delivery aspect was staff courtesy and eagerness to serve (4.029) followed by reliability of services provided (3.740). However, the lowest ranked service aspect was cleanliness and tidiness of compounds and offices (3.330) followed by staff sense of responsibility (3.432).

According to the study, the level of implementation of performance contracting as reflected by the frequency of participation in carrying out performance contracting aspects (areas) was on aggregate rated at 3.492 (often). Preparation of Work Plans registered rank one in performance contracting aspects area at a frequency rating of

4.048 and least were Monitoring and Evaluation, and Core Values both rated at 3.100. As regards frequency of use of performance contracting service delivery tools, Work Plan topped at a rating of 4.250 and last was Information, Education and Communication at 3.056.(Tables 4.7 and 4.8).

Regarding competence of Provincial Administration staff on Performance contract issues, analysis of their training revealed a low aggregate frequency of 2.604. The study revealed that the training aspect with the highest frequency was Rapid Results Initiative (RRI) followed by Work plans at 3.250 and 2.952 respectively. The training aspect with lowest frequency rating was computer applications packages and the Information, Education and Communication at 1.555 and 1.947 respectively.

These low training frequencies exposed the urgent need to develop a more effective and aggressive training programme for Provincial Administration staff. The training programme needs to focus on areas/aspects where staff have been least trained but have been identified to be important (Table 4.6). The training should also aim at improving efficiency of staff in various service aspects particularly staff competence in addressing issues (Table 4.3).

However, although participation and use of performance contracting tools by staff is high on aggregate, it was revealed that Monitoring and Evaluation, Information, Education and Communication, and Customer satisfaction survey were rated low for both frequency of participation in preparation and frequency of use. The study showed that Provincial Administration staff do encounter challenges while implementing performance

contracting as follows; insufficient resources and equipment, unrealistic targets, delay in communication of information, lack of motivation for outstanding performance, insufficient training and little knowledge on some performance contracting matters, and difficulty in measuring some targets.

Regarding intervening factors, the study showed that the under mentioned issues do influence the attainment of Performance contracting to varying degrees. Economic factors were identified as the most effective, followed by social-political and cultural factors.

## **5.2 Conclusion**

The implementation of Performance contracting by Provincial Administration department has been effective in improving efficiency in service delivery. The level of implementation of performance contracting is high as revealed by the frequent participation in both preparation and use of performance contract tools by the Provincial Administration staff. The level of competence of staff was high as reflected by both frequent trainings and high level of customer satisfaction. However, the study revealed that there was need to improve cleanliness and tidiness of compounds and sense of responsibility of staff among service aspects while frequent trainings are needed for Computer Applications, IEC, Service Charter and Performance Appraisal. Also some key elements of an effective performance contracting system were shown not to be properly implemented. These included; Monitoring and Evaluation, IEC, and Customer Satisfaction survey. In the course of implementation of Performance Contract, Provincial Administration staff encounter challenges and intervening factors that require to be

considered during the setting of targets and implementation of the Performance contracts. These challenges include; inadequate resources and equipment, and insufficient training of staff. The intervening factors that may affect implementation of Performance contract are economic, social, political and cultural.

### **5.3 Recommendations**

Performance Contracting is an important and effective part of the public service reform prescription aimed at improved service delivery to the public. It is recommended that its application in the public service be strengthened and broadened to cover every part of the public service. In order to ensure successful implementation and realization of its benefits together with intended objectives, there is need for strengthening an effective training programme for all staff, regular monitoring and evaluation and a fair reward system. Addressing identified challenges and intervening factors is also paramount to ensure that attainment of set targets is not compromised.

Further study may be undertaken in the following:

- i. A similar study to cover all the departments in the entire Ministry.
- ii. Study to evaluate the effectiveness of intervening factors on Performance contract.
- iii. Study to compare the effectiveness of Performance contracting implementation between Provincial Administration department and a parastatal within the Ministry.

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## APPENDIX I

Joseph K. Rotich  
P.o Box 1  
Amagoro

Dear Sir/ Madam,

**Ref: An Evaluation of Effectiveness of Performance Contract on Service Delivery by Provincial Administration Department**

I am carrying out the above mentioned study to evaluate the effectiveness of Performance Contract on service delivery by Provincial Administration department in Teso North.

You are therefore kindly requested to fill the attached questionnaire. The questionnaire is intended to collect information to be used for this research only.

The questionnaire has three sections. Section A solicits personal information, and should be filled by all respondents together with Section B. The last part, Section C shall be filled by members of staff of Provincial Administration department only. Please respond by ticking (✓) or filing in the blanks as appropriate. Your honest response will be highly appreciated.

Thank you for your cooperation.

Yours faithfully,



Joseph K. Rotich

**APPENDIX II**  
**QUESTIONNAIRE**

**AN EVALUATION OF EFFECTIVENESS OF PERFORMANCE CONTRACTING ON SERVICE DELIVERY BY PROVINCIAL ADMINISTRATION DEPARTMENT IN TESO NORTH DISTRICT**

**SECTION A: PERSONAL DATA**

1. Tick (✓) your designation and gender from the listed options below:

- a) District Commissioner
- b) District Officer
- c) Chief
- d) Assistant Chief
- e) District Clerk
- f) Procurement Officer/Assistant
- g) Human Resource Officer/Assistant
- h) Clerical Officer
- i) Secretary
- j) Driver
- k) Artisan
- l) Support Staff
- m) Member of the Public
- n) Gender:
  - Male
  - Female

Please Tick (✓) as appropriate

2. Age bracket:

18 - 24 years

25 - 34 years

35 - 44 years

45 - 54 years

Over 55 years

3. Education level (*Highest*)

KCPE (CPE)

KJSE

KCSE (KCE)

KACE

Diploma

Bachelor Degree

Master's Degree

Doctorate Degree

4. Specify by ticking how long you have been a resident of Teso North District.

Under one year

1 - 4 years

Over 4 years

## **SECTION B**

Please tick (✓) or fill as appropriate

5. On a scale of 1 to 5, please indicate the frequency of your visits to the Provincial Administration offices.

<b>Offices visited</b>	<b>Most frequent 5</b>	<b>Very frequent 4</b>	<b>Frequent 3</b>	<b>Fairly frequent 2</b>	<b>Not frequent 1</b>
Assistant Chief's office					
Chief's office					
District Officer's office					
District Commissioner's office					

6. Specify the purpose(s) of your visit(s).

- a) Land matters
- b) Identification card (ID) application
- c) Deceased Estate claims
- d) Statutory License(s) (e.g. Liquor license)
- e) Security issues
- f) Procurement issues(e.g. tender)
- g) Human resource matters ( e.g. employment)
- h) Birth certificate application
- i) Burial permit application
- j) Death certificate application
- k) Other (*specify, e.g. meeting, marriage, complaint*)

7. Please give your perception rating in relation to Provincial Administration staff (officers) efficiency in service delivery aspects listed in the table below.

<b>Aspects</b>	<b>Most efficient 5</b>	<b>Very efficient 4</b>	<b>Efficient 3</b>	<b>Fairly efficient 2</b>	<b>Least efficient 1</b>
Staff courtesy and eagerness to serve					
Staff competence in addressing issues					
Reliability of the service provided					
Time taken in solving issues					
Staff sense of responsibility					
Cleanliness and tidiness of compound(s) and office(s)					

8. Since your previous visit, did you notice any improvement in efficiency of service delivery in the office you visited?

Yes  No

9. If yes, please indicate the degree of improvement as shown in the table below.

<b>Most improved 5</b>	<b>Very improved 4</b>	<b>Improved 3</b>	<b>Fairly improved 2</b>	<b>Least improved 1</b>

10. Please indicate the extend you agree that the implementation of Performance Contracting has been effective in improving efficiency in service delivery by the Provincial Administration department.

<b>Strongly agree 5</b>	<b>Agree 4</b>	<b>Least Agree 3</b>	<b>Disagree 2</b>	<b>Strongly disagree 1</b>

11. In your opinion, what else can be done to improve the efficiency of service delivery in the Provincial Administration office(s)

- a) .....
- b) .....
- c) .....

12. Please indicate your rating of effectiveness of the following communication channels in disseminating government policy to the public.

<b>Channel of Communication</b>	<b>Most Effective 5</b>	<b>Very Effective 4</b>	<b>Effective 3</b>	<b>Fairly Effective 2</b>	<b>Least Effective 1</b>
Baraza					
Radio					
Newspaper					
Public Notice Boards					
Television					
Circular					

### **SECTION C**

13. Indicate how frequently you have attended trainings covering the following aspects

<b>Training Aspects</b>	<b>Most frequent 5</b>	<b>Very frequent 4</b>	<b>Frequent 3</b>	<b>Least frequent 2</b>	<b>Not attended 1</b>
Performance contract					
Work Plans					
Service Charter					
Performance Appraisal					
Customer Care Service/desk					
Public service integrity					
Rapid Results Initiative(RRI)					
Information, Education and Communication					
Computer application packages					

14. State the level of importance you attach to the following training aspects

<b>Training aspects</b>	<b>Most Important 5</b>	<b>Very important 4</b>	<b>Important 3</b>	<b>Fairly important 2</b>	<b>Least important 1</b>
Performance contract					
Work Plans					
Service Charter					
Performance appraisal					
Customer care service/desk					
Public service integrity					
Rapid results initiative (RRI)					
Information, education and communication					
Computer application packages					

15. Indicate how often you have participated in carrying out some of the following exercises

<b>Items</b>	<b>Most often 5</b>	<b>Very often 4</b>	<b>Often 3</b>	<b>Fairly often 2</b>	<b>Not often 1</b>
Preparation of Performance contract targets					
Preparation of work plans					
Preparation of core values					
Preparation of Service Charter					
Staff Performance appraisal					
Monitoring and evaluation					



16. How often do you apply the following service tools in service delivery.

<b>Service tools</b>	<b>Most often 5</b>	<b>Very often 4</b>	<b>Often 3</b>	<b>Fairly often 2</b>	<b>Least often 1</b>
Work Plan					
Service register					
Service charter					
Core values					
Customer care desk					
Suggestion Box					
Information, education and communication strategy					
Crime prevention strategy					
Prevention of drugs and substance abuse strategy					
Corruption prevention plan					
Disaster preparedness and management strategy					
Monitoring and evaluation					
Customer satisfaction survey					

17. State the effectiveness of the listed aspects on service delivery.

<b>Aspects</b>	<b>Most effective 5</b>	<b>Very effective 4</b>	<b>Effective 3</b>	<b>Fairly effective 2</b>	<b>Least effective 1</b>
Work Plan					
Service Charter					
Core values					
Staff performance appraisal					
Customer care Desk					
Suggestion Box					
Monitoring and Evaluation					
Information, Education and Communication strategy					
Customer satisfaction survey					

18. Indicate the level of your satisfaction with the following aspects of your job.

<b>Jobs aspects</b>	<b>Most Satisfied</b> <b>5</b>	<b>Very Satisfied</b> <b>4</b>	<b>Satisfied</b> <b>3</b>	<b>Fairly Satisfied</b> <b>2</b>	<b>Least Satisfied</b> <b>1</b>
Work assignments					
Supervision					
Availability of equipment and quality of office furniture					
Physical office environment					
Office space					
Provision of sufficient and timely resources					
Staff appraisal					
Career progression					
Inter management (government) communication					
Service rules and regulations					
Disciplinary procedures					
Performance reward system					

19. Suggest how Performance Contract implementation can be improved for effective and efficient service delivery to be achieved.

- a) .....
- b) .....
- c) .....

20. Indicate the extent to which the listed intervening factors can affect the level of implementation of your Annual Performance Contract or Work Plan.

Factors	Most effective 5	Very effective 4	Effective 3	Fairly effective 2	Least effective 1
Economic					
Social & Political					
Culture					
Natural					

21. What challenges do you face while implementing Performance Contract?

- a) .....
- b) .....
- c) .....