

**THE IMPACT OF PERFORMANCE CONTRACTING ON SERVICE
DELIVERY: THE CASE OF TEACHERS SERVICE COMMISSION OF KENYA,
2005-2014**

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C51/82555/2012**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT FOR
THE AWARD OF MASTERS OF PUBLIC ADMINISTRATION IN THE
DEPARTMENT OF POLITICAL SCIENCE AND PUBLIC ADMINISTRATION
OF THE UNIVERSITY OF NAIROBI**

2016

DECLARATION

This research is my original work and to the best of my knowledge has not been submitted for award of a degree in any other university.

Signed..... Date.....

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This research project has been submitted with my approval as a university supervisor.

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DEDICATION

This project is dedicated to my wife Rose Wambui and children Jane Nyawira and Margaret Njango. Special dedication to my Late parents Joseph and Jane Waruri. I urge my children to surpass this effort in their studies.

ACKNOWLEDGEMENT

I am grateful to my supervisor Dr. Richard M. Bosire, Chairman of the Post Graduate Studies, Department of Political Science and Public Administration, for his commitment, support, and guidance during this study. I would like to thank the Teacher Service Commission staff and especially those at the research, policy, and innovation department lead by Mr. G. O. Okinda that allowed me access to various reports and material. Finally, I would like to thank my family for the support they showed me while conducting this research.

All the Glory is to God.

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ACRONYMS

TSC	Teacher Service Commission
PC	Performance Contract
PSC	Public Service Commission
RBM	Result Based Management
WITS	Work Improvement Teams

ABSTRACT

The main objective of this study was to assess the impact of performance contracting on service delivery at the Teachers Service Commissioner of Kenya. Performance contracting was introduced as part of broader public sector reforms aimed at improving efficiency and effectiveness in the management of public service. There is a general agreement within the public service that the introduction has led to some improvement in service delivery as demonstrated by increased accountability, efficiency and delivery of public services as well as a national focus and targeted results. It is however not clear if these benefits have been experienced across all ministries, departments and agencies or whether the improvements have been consistent over the years, while the gains have been made in cultivating a culture of competitiveness and innovativeness within the public service, the quality of service seems to have remained inadequate. The study applied mixed research designs and the sample population was the Teachers Service Commission employees, consisting of the secretariat and teachers. Both primary and secondary data were used for the study. The findings of the study show that performance contracting has significantly contributed to service delivery at the Teachers Service Commission of Kenya. However, the study concludes that performance contracting strategy has not been sufficiently devolved within the Teachers Service Commission to ensure effective participation by the employees at all service delivery levels. The study recommends that performance contracting should be devolved to all service delivery levels and all employees should be sufficiently involved in decision making process. The study also recommends that performance measurement and evaluation mechanism should be reviewed and simplified to ensure it is understood and applied effectively. The study further recommends that there should be reward and sanction policy at the TSC to motivate employees to improve on service delivery.

CHAPTER ONE

BACKGROUND OF THE STUDY

1.1 Introduction

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The study used mixed research design, which applies both quantitative and qualitative data. The rationale for mixed research design is that it helped the researcher obtain data that complements each other thus increasing the understanding of the research problem. Quantitative data provided variables while the qualitative data provided a wider perspective in this study. In this study, the variables of interest were performance contracting, performance measurements and evaluation and performance targets as independent variables and service delivery as dependent variable.

3.2 Target Population and Study site

The site of the study and target population was the Teachers Service Commission, Nairobi. The Teachers Service Commission has nine departments and was selected for this study because of the perceived inefficiencies and ineffectiveness in service delivery. The subjects for the study were drawn from the department of administration, human resource, information communication technology, internal audit, accounts, finance and teacher management, research and quality assurance. Preference was given to heads of departments and head of sections as key respondents because they sign performance contracts..

3.3 Sampling Procedures and Sample Size

The study applied cluster sampling technique to select respondents in this study. Cluster sampling was used because of the heterogeneous nature of the sample population. This technique works well in a population which is already grouped into sub-population and lists of these sub-population already exist or can be created. In this study, the Teachers Service Commission staff in the commission is divided into nine (9) departments. The quality assurance and research/ policy were also incorporated as TSC departments based on the fundamental role they play with regard to performance contracting; assessment of teachers undertaking the performance contracting exercise. The sample size was arrived at by picking respondents from

every subsection in the commission to represent the department. For each department, the researcher used a disproportionate sample to select the respondents, as illustrated in Table 3.1 below.

Table 3.1: Distribution of Respondents and Sample Size

No	Directorate	Population	Sample Size
1	Human Resource	400	5
2	Administration	400	6
3	Finance	250	5
4	Teacher Management	200	6
	Information Communication Technology	80	3
6	Internal Audit	70	5
7	Accounts	250	5
8	Research/ Policy	10	3
9	Quality Assurance	30	3
Total		1690	41

Forty one (41) respondents were selected through stratified random sampling strategy. The inspecting edge is isolated into characterized strata. The populace is isolated into at least two gatherings utilizing a given measure and after that a given number of cases are arbitrarily chosen from every populace subgroup, seltiz, weightsaman and cook contend that for more noteworthy precision, the number in every stratum ought to be founded on relative changeability of the attributes under concentrate, instead of proportionate to the relative size of every subgroup in the populace. The key respondents were the Heads of the nine departments and their deputies because they sign performance contracts and therefore knowledgeable.

The researcher liaised with performance contracting officers within the Teachers Service Commission in identifying respondents for this study. As a means of triangulating the findings in this study, the researcher sought school teacher's opinion on what they thought about service delivery at the Teachers Service Commission. Data was obtained from fifty teachers in selected all sub-county schools both primary

and secondary in Nairobi. These respondents were selected randomly using the random number generator.

3.4 Data Collection Techniques

Information was collected from both primary and secondary sources. Questionnaires were the main instrument for the collection of primary data from the respondents selected for this study. Secondary data was obtained through review of relevant literature from government policy documents, text books and journals. The questionnaires were designed to include both close-ended and open-ended questions. A pilot study was carried at the TSC to ensure that the questions are relevant and elicit the required data to the reliability of the questionnaires.

3.5 Data Analysis

Quantitative data analyzed, after correcting any errors that may influence data analysis, data was prepared for analysis through editing, coding and entry. Data editing was done to ensure data is accurate and is consistent with the intent of the question. The data was investigated utilizing statistical package for social sciences (SPSS) to create clear insights in order to empower the specialist to seriously depict a dissemination of scores utilizing a couple of measurements. Frequencies, means and rates were utilized to show the information. Qualitative information was broke down utilizing content investigation which involves establishing patterns and trends in relation to the variable in the study.

CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents major demographic characteristics such as gender, age, education level, terms of service and years of service of the respondent. This chapter also presents results of the survey as they relate to the objectives and hypotheses of the research. Secondary data was used to supplement and strengthen primary data where appropriate.

4.2 Performance of the TSC before introduction of PC

The study sought to determine the performance levels of the TSC before the introduction of performance contracting (1990-2004). The findings were as follows.

Table 4.1: Performance of TSC before the introduction of PC

			Department									
			ACC	HR	ICT	Policy	Audit	Finance	TM	Admin	QA	T
Performance Before PC	Low	N	2	3	3	3	3	2	3	3	3	25
		%	67	75	100	100	33	50	100	100	100	75
	Moderate	N	1	1			2	2				6
		%	33	25			67	50				25
	High	N										0
		%										
Total		N	3	4	3	3	5	4	3	3	3	31
		%	100	100	100	100	100	100	100	100	100	100

Table 4.3, 75% of the respondents (25 out of 31) felt that the performance of the TSC was low before the performance contracting was introduced. On the other hand, the study established that 6 out of 31 (25%) said that the performance was moderate, while none of the respondents said the performance was high.

Based on this rating, the explanations respondents provided were: performance of task took long than expected; there lacked clear direction of individual duties to accomplish in specified period; work was not well organized as compared to what the PC is now doing; and roles were based on the commission's priority at a time and lacked clear strategies; political interference; poor working relationship, inadequate capacity building and corruption.

There was growing concern that the Government was not able manage service conveyance norms as per the general inclination of the subjects and weight was mounting with national financial and worldwide aggressive achievement turning out to be progressively dictated by open market. Dynamic ventures and profoundly talented workforce, the general population service and for this situation the TSC needed to enter the condition as a dynamic player, proactively creating and reacting to developing desires of administration quality.

This could mean that the objectives of the department were not clearly understood and therefore clear accountability of individuals was lacking. Again political interference has been manifested in the methods of hiring top bureaucrats in public institutions which has generally been on the basis of political patronage and connection rather than merit, this means that it has been difficult to punish poor performers because of their connections.

Pervasive corruption at the TSC was the most serious challenge that hindered the effectiveness of service delivery since the vice was widespread. Cases of theft and misappropriation of public resources meant for provision of services ended up in people's pockets. Also there lack of trust and this inhibited team spirit and co-operation as well as free flow of information in the working environment.

4.3 Response rate

Table 4.2: Response rate per department

No.	Directorate	Sample Size	Frequency	Response Rate (%)
1	Human Resource	5	4	80
2	Administration	6	3	50
3	Finance	5	4	80
4	Teacher Management	6	3	50
5	ICT	3	3	100
6	Internal Audit	5	5	100
7	Accounts	5	3	60
8	Research	3	3	100
9	Quality Assurance	3	3	100
Total		41	31	80

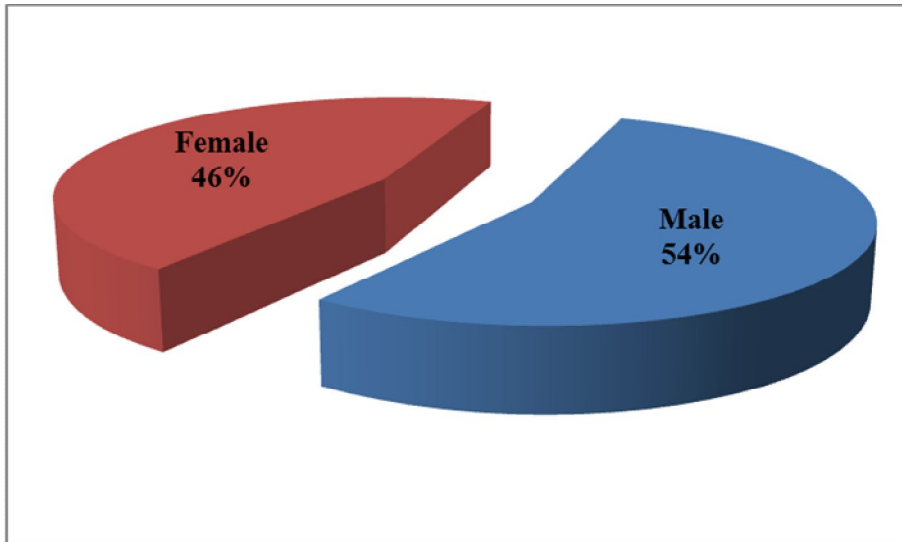
The response rate in this study was 80%. The researcher had targeted a sample size of 41 respondents, but only 31 filled and returned the questionnaires. Focusing on departmental response rate, the Information Communication Technology (ICT), Internal Audit, Research/ Policy and quality assurance recorded a 100% response rate, followed by Finance and Human Resource at 80%, Accounts (60%), Administration (50%) and finally Teacher Management (50%). The response rate was fairly good and was representative for the departments.

4.4 Demographic information

Participants of this study were asked to provide their gender, age, education level, duration of service, and terms of service. Summary of the demographic information is presented below.

4.4.1 Demographic information based on gender

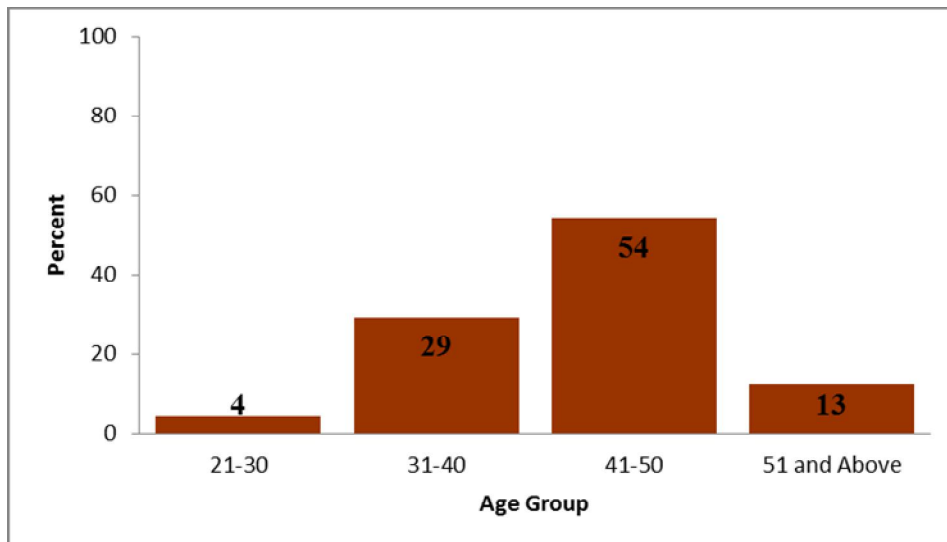
Figure 4.1: Gender Distribution



Both male and female respondents participated in this study. Based on the findings in Figure 4.1, more male (54%) than female (46%) participated in the study. Out of 31, 17 were male while 14 were female. This could be interpreted to mean that gender balance had been achieved at the higher departmental level (heads of departments).

4.4.2 Demographic information based on age group

Figure 4.2: Age Group

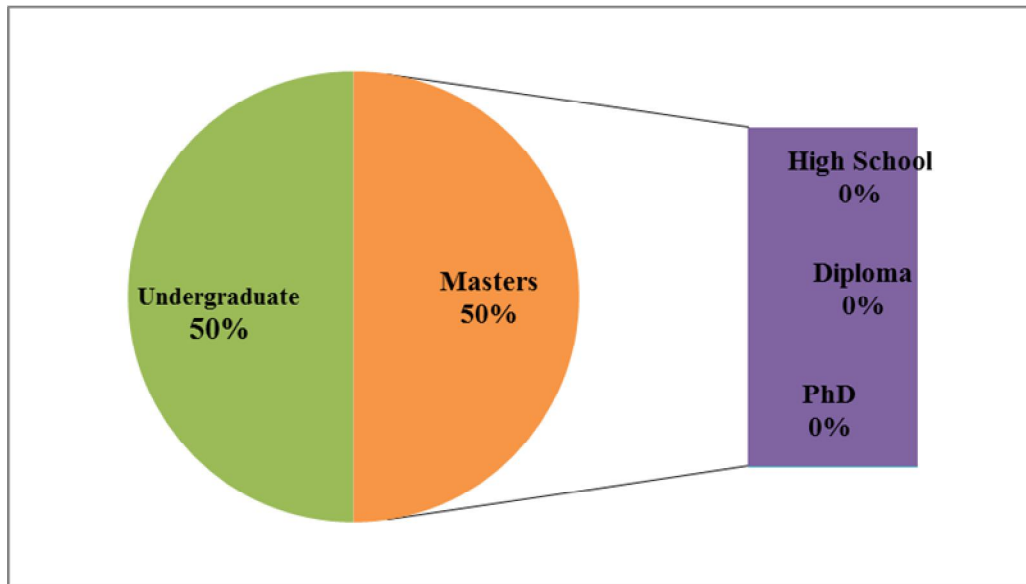


Findings in Figure 4.2 revealed that many of the participants 16 (54%) were between the age of 41-50 years, 10 (29%) were between the age classes of 31-40 years, 4 (13%) within 51 years and above, and finally 2 (2%) of the respondents were between twenty one and thirty years of age.

The findings could be interpreted to mean that cumulatively there are generally older (41-60) employees in the Teacher Service Commission at 26 (67%). This may be attributed to the extension of retirement age and the employment freeze in the public service.

4.4.3 Demographic information based on education level

Figure 4.3: Education Level



The education level of the respondents was examined to assess the understanding of the PC concept and its implementation requirements. Figure 4.3 shows 50% of the respondents had undergraduate and masters qualifications respectively. The findings established that none of the participants had high school qualification, diploma, nor PhD (doctorate). This suggests that respondents had adequate qualifications. This could be interpreted to mean that performance contracting is handled by qualified and senior officers while those at lower levels, majority of who are involved in implementation are excluded.

4.4.4 Demographic information based on terms of service

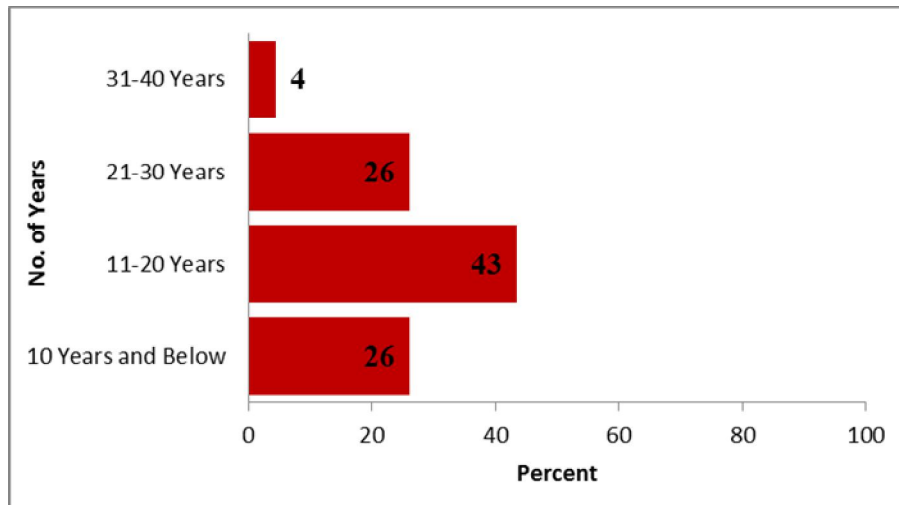
Table 4.3: Employees Terms of Service

		Frequency	Percent (%)
Valid	Permanent & Pensionable	30	96.8
	Permanent & Non-Pensionable	1	3.2
	Temporary	0	0
	Contract	0	0
Total		31	100.0

The study revealed that 30 (96%) out of 31 respondents are employed under permanent & pensionable terms while only 1 (3%) employee is under permanent & non-pensionable terms of service. However, the study establishes there are no employees employed under temporary and contractual terms.

4.4.5 Demographic information based on duration of service

Figure 4.4: Number of Years Employees have worked



As illustrated in Figure 4.4, majority of the respondents (43%) had worked for 11-20 years. Similarly, 26% of the respondents had worked for 21-30 years and 10 years and below years respectively. Only 4% of the respondents had worked for the last 31-40 years. This could mean that there is low staff turn-over at the TSC which could have some continuity with the effectiveness of performance contracting.

4.5 Impact of performance contracting on service delivery

The researcher sought to assess how employees understand the concept of performance contracting. Respondents were asked to describe performance contracting in their own words. This was important for the researcher to establish whether employees and employers articulate the performance contracting as a whole and its role in the institution.

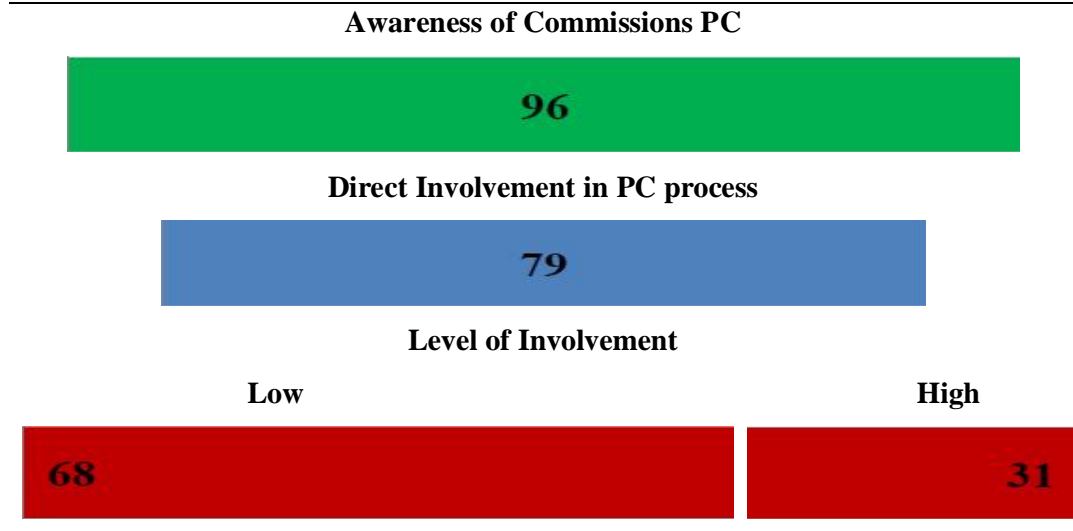
Respondents gave the following explanations: agreement between two parties on discharge of task and obligations in relation to a specific contract; the extent to which mutual performance, intentions, and responsibilities of two parties is carried out with an aim of attaining set targets; agreement of performance between the client and service provider; the process that focuses on outputs quality that has specific measureable achievements; specific goals set and agreed upon to be achieved within a specific period of time; aligning organizational objectives to personal goal; measuring of performance by evaluating the extent employees have achieved their set goals; process by which employees are appraised based on set and agreed targets; and it is a result based approach in managing performance in an organization.

Based on the findings, respondents expressed their understanding of performance contracting as a procedure of measuring or assessing the attainment of set targets. Most of the respondents described the contract to be between two parties; employer and employees.

Whereas some high positioning open workers may particularly welcome the possibility of performance contracting and measuring performance, it won't not be promptly acknowledged by everyone particularly the individuals who feel uncovered adversely as far as poor performance by the results.

4.5.1 Employees Awareness and involvement of performance contracting

Figure 4.5: Awareness and level of involvement of performance contracting



It was established that 96% of the respondents were aware of the commission's current performance contract. Of those who agreed, 79% of them were found to be directly involved in the commission's performance contracting process, an indication that 21% are not directly involved. Despite majority of the participants being directly involved in the process, 68% of them said their level of involvement is low while only 31% had high levels of engagement.

Respondents who were neither aware of the performance contracting nor involved in the processes gave reasons such: the role is performed by specific senior members of the organization; top managers implement the PC system; my role is to provide information, but the evaluation is done at the management level; and I am yet to be assigned such roles.

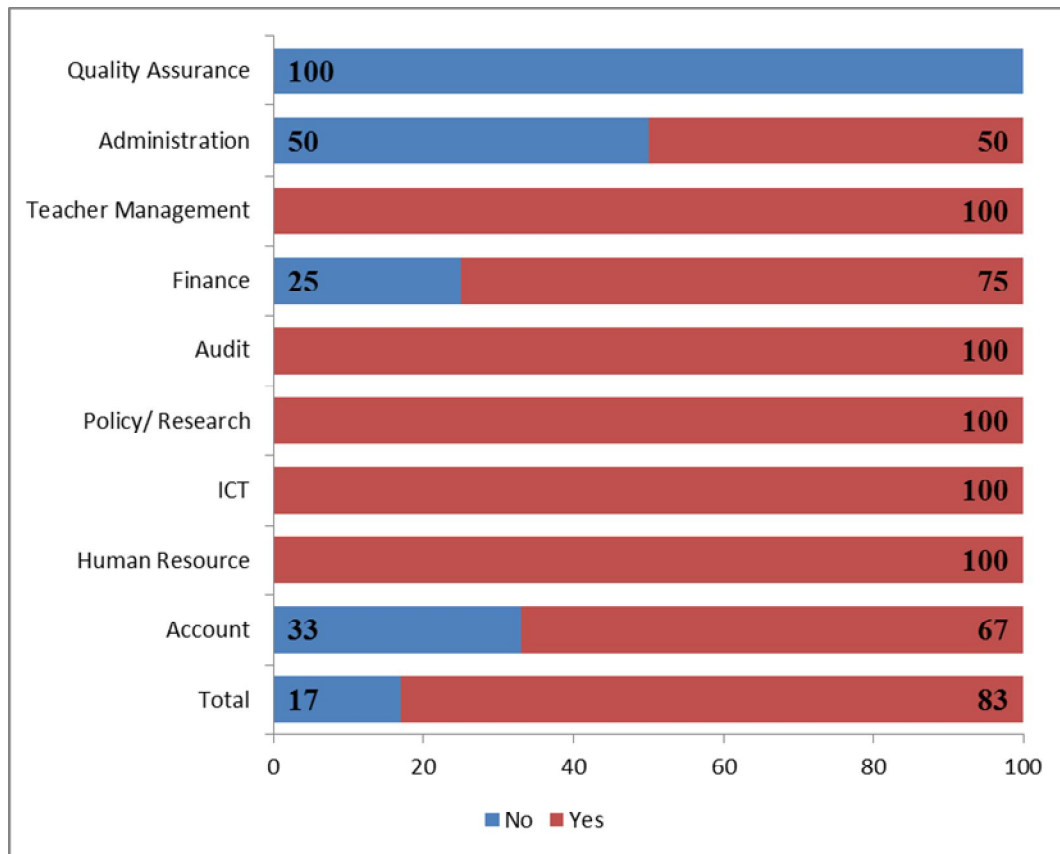
The success of performance contracting management system depends on the use of a participatory approach in its formulation and also a conscious process of mainstreaming its implementation into the institutional practice. In the current practice, apart from some Heads of Departments who had signed performance contracts with the commissioners, the rest of the staff at other levels had not signed contracts with their immediate supervisors. This indicates that employees are not

sufficiently involved in performance contracting which is perceived as a top-down process entirely driven by superiors who establish goals and set targets and hand them down the staff in lower levels for implementation. It would be interpreted that the PC strategy did not involve all the staff in its implementation.

4.5.2 Time Spent to undertake assigned duties

The study sought to determine whether performance contracting reduces the time spent to undertake assigned duties by employees. The data presented in Figure 4.6 below:

Figure 4.6: Time taken to accomplish tasks



Data in figure 4.6 indicate that majority of the respondents 26 out of 31 (83%) agreed that performance contracting has reduced the time they spend to undertake assigned duties. Only 5 out of 31 (17%) of them were against the statement. Within specific departments, respondents from the human resource, ICT, policy/ research, audit, and teacher management were 100% in agreement with the statement. On contrary, 100%

of respondents within the quality assurance department disagreed that performance contracting has reduced their time to undertake assigned duties. Similarly, 50%, 33%, and 25% of respondents from administration, accounts, and finance departments disagreed with the statement respectively.

Explanations that respondents gave in relations to their ratings include: Inadequate infrastructure; ability to meet timelines; nothing has changed in terms of resources, workload, and performance processes; clear and outlined targets enhance time efficiency; There is increased focus on targets; the management challenges one to become innovative, thus meet targets in time. The responses reveal that PC has the ability to reduce time spent to undertake a given assignment or duty.

The data from the study indicate that 74% of the respondents agreed that performance contracts had led to significant improvement in performance in their departments. One of the reasons advanced for this improvement in performance was that performance-contracting system had led to increased effectiveness and efficiency in utilization of time and resources. It had also made the performance objectives and expectations of the department clear as well as spelling the resources that would be made available to enable them achieve the targets.

4.5.3 Significance of PC on service delivery

The study aimed at determining whether performance contracting has significant influence on service delivery at the TSC. The findings are as follows.

Table 4.4: Significance of PC on service delivery

			Department									T
			ACC	HR	ICT	Policy	Audit	Finance	TM	Admin	QA	
PC Influence	Yes	N	3	4	3	3	5	4	3	3	3	31
		%	100	100	100	100	100	100	100	100	100	100

As illustrated in Table 4.4, 100% of the respondents within the nine departments agreed that performance contract has significant influence on service delivery within the TSC since it was inception. Brief explanations provided by the respondents included: services became more accessible; available resources; timely service; clear objective expectations; efficiency increased; services are delivered faster; better understanding of client's needs and my performance target; and there is more accountability among employees.

Performance contracting had expanded staff support in arranging and implementation of programmes in the commission. The literature reviewed in this study indicates that there is significant improvement in overall performance since inception of performance contracting. According to Muthaura (2007; 14), there has been notable improvement in profitability in commercial state corporations. Significant achievements have also been recorded in various government departments including the TSC in terms of efficiency in service delivery, responsibility for results and expanded straightforwardness in administration of assets. This shows that PC system leads to increased effectiveness and efficiency in utilization of time and resources. It had also made the performance objectives and expectations of the department clear as well as spelling out the resources that would be made available to enable them achieve the targets that they had undertaken to meet.

The process has constrained government offices to rebuild widely and re-design their operations keeping in mind the end goal to work gainfully and to be more productive and successful when playing out their commands.

4.5.4 Factors influencing service delivery

The researcher sought to determine other factors apart from performance contracting that influence service delivery at the commission. Respondents applauded the following factors: modern infrastructure; cost analysis; Increased motivation; team work; improved work conditions; use of technology; benchmarking through seminars and workshops; positive attitude; ISO certification; continuous training; enhanced leadership; and legal provisions (Constitution of Kenya, 2010).

However, despite this view, performance contracting as a management tool has some shortcomings in ensuring improvement in service delivery. This is because it is a tedious exercise that adds complicated and unnecessary paperwork and that a lot of time devoted to the process at the expense of other valuable service delivery improvement programmes. This opinion suggests that through PC has been successful, not all performance results can be attributed to it. Other factors listed above do contribute to better performance. There is therefore need, to increase capacity of the officers through training to enable them adequately understand and internalize the process of formulating and implementing PC, thus improve service delivery within the TSC.

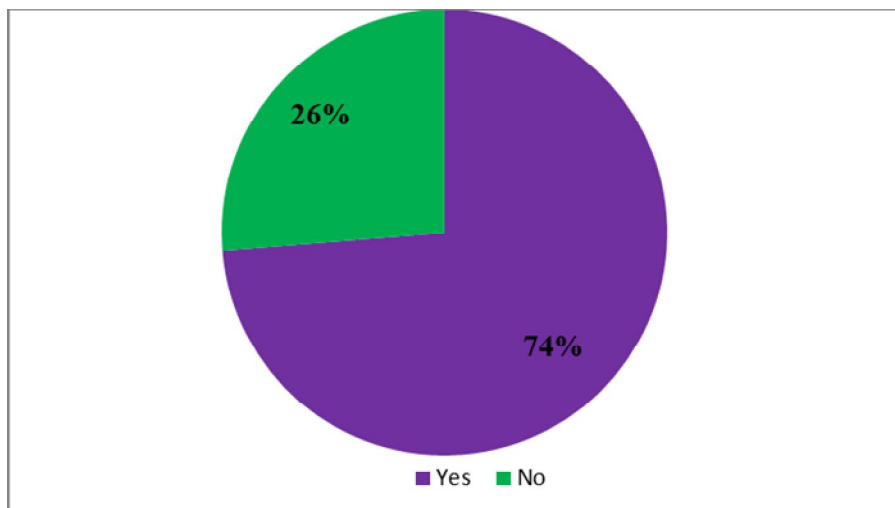
4.6 Performance Targets

The study assessed the achievement of performance target as a contributor to service delivery. The main indicators included the achievement of set targets, pressure of achieving them, and the consent between appraisers and appraisee. The findings are presented below.

4.6.1 Commission's achievement of set targets

The study sought to assess whether the commission achieved all the set targets in their previous performance contracts. The findings are as follows.

Figure 4.7: Achievement of performance target



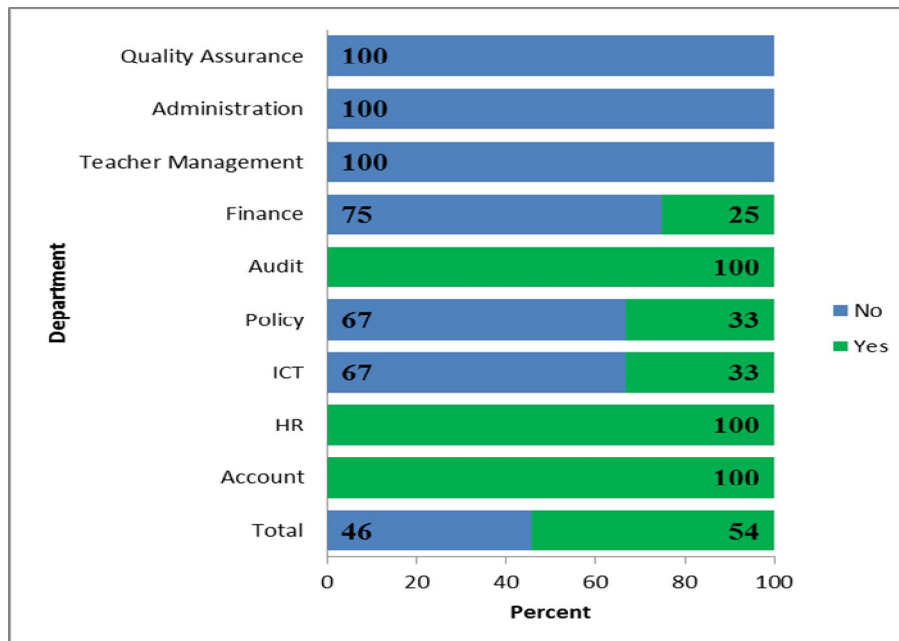
The findings in Figure 4.7 revealed that majority of the respondents (74%) agreed that the commission met its performance target in their previous performance contract. However, 26% disagreed that the commission did not meet the target. The reasons for the rating by respondents were as follows; shared targets brought about confusion in the quest to attain them; limited resources such as computers; disbursement of funds delayed some services; performance was at acceptable range (85%) ; and identified gaps helped to resolve issues in time.

Although the findings show that majority had achieved their performance targets, it is not absolute that performance had improved. According to the literature, PC has been executed as an exercise for achieving better positions at the expense of improved management and performance and focuses on measuring efficiency more than effectiveness. This means that organizations can deliberately negotiate soft targets that are easy to achieve and, thus score highly and achieve recognition, thus compromise performance.

A lot of emphasis has been put on achievement of set performance targets and therefore encourages employees to ignore the bigger picture of supporting and improving the social and economic fabric of the citizens to focus narrowly on short-term services and satisfactory positions in ranking. The results indicate that despite indications of improvement in service delivery, achievement of set performance targets have not been met fully. This could be attributed to factors such as setting of unrealistic targets, inadequate financial resource allocation, inadequate human resource capacity and lack of collaboration and consultations.

4.6.2 Pressure to attain targets

Figure 4.8: Whether employees are pressured to achieve targets



The data indicates that 16 out of 31 (54%) of the respondents agreed that employees feel pressured to attain set targets while 15 out of 31 (46%) of the respondents said they were not pressured (Figure 4.8). Within departments, respondents within the accounts, human resource, and audit were 100% in agreement that they felt the set targets are pressuring them to meet them. On contrary, respondents within the quality assurance, teacher management, and administration were 100% against pressure caused by set targets, similar to 75% from the finance department and 67% in the policy and information communication technology departments respectively.

In support, respondents gave the following explanations in relation to their rating: System failure results to pressure to deliver within other measures; last minutes rush; change of objectives in due process; directive to comply in short term; and good planning of activities has ensured targets are prioritized from the most to the least, thus reducing chances of feeling pressured. Setting of performance targets is a central issue in the process of designing effective PC and in ensuring that expectations are clear and results are measureable and appropriate to the goals. The findings show that performance targets are effective in increasing staff willingness to exert more effort at work.

4.6.3 Target consent

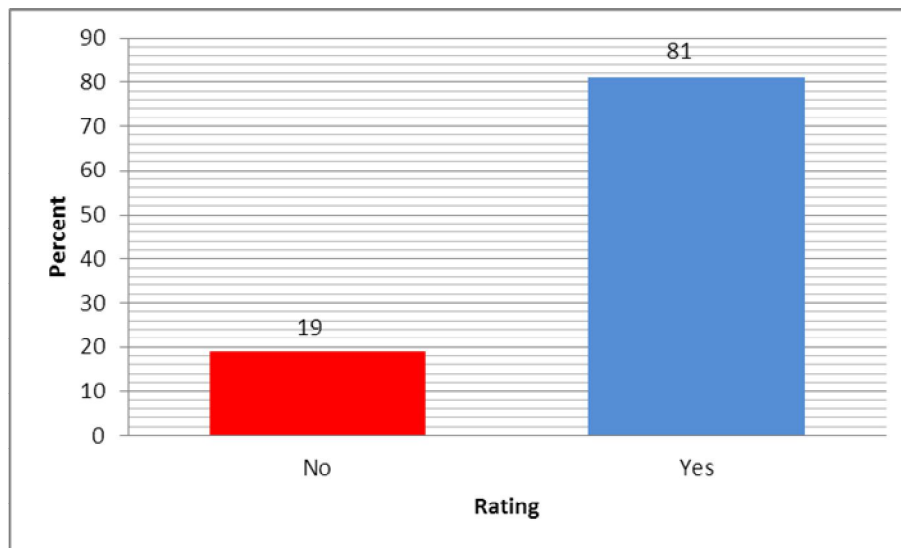
Table 4.5: Whether the appraisers and appraisee agreed on set targets

			Which department do you represent									T
			ACC	H R	ICT	Policy	Audi t	Finance	TM	Admi n	QA	
Agreed	No	N		1					3			4
		%		25					100			14%
	Yes	N	3	3	3	3	5	4	0	3	3	27
		%	100	75	100	100	100	100		100	100	86%
Total		N	3	4	3	3	5	4	1	3	3	31
		%	100	100	100	100	100	100	100	100	100	100

As indicated in Table 4.5, 27 out of 31 (86%) of the respondents agreed that a consensus is met between the appraisers and appraisee when adopting performance targets. However, only 14% (4 out of 31) disagreed. Explanations provided included: supervisors discuss with employees on their target before they develop them in writing; parties involved discuss to ensure clarity; managers are the ones to appraise employees, it's good to start at the same page; and they are imposed indirectly. From the findings, it is evident that the appraisers and the appraisee agree on performance targets. Setting of performance targets is a central issue in the process of designing of effective of effective performance contract and in ensuring that expectations are clear and results are measurable and appropriate to the goals, performance targets contributed to improved co-ordination and co-operation between departments on performance goals and how to measure them.

4.6.4 Performance measurement and evaluation on service delivery

Figure 4.9: Significance of performance measurement and evaluation on service delivery



As revealed in Figure 4.9, 25 out of 31 (81%) of the respondents at the TSC were satisfied by the PC evaluation and ranking in their previous year. On the other hand, only 6 out of 31 (19%) of the respondents were not satisfied with the evaluation and measurement. Performance evaluation and measurement of results in Kenya is done at the end of the performance cycle. A comparison is done between the actual achievements against the set performance targets. The comparison is computed using variance matrices to arrive at the performance score; thus enhancing the ranking process. With majority of the respondents in agreement of the PC ranking and evaluation measures, it would be logical to conclude that performance measurement has been effective in improving performance at the TSC.

Performance evaluation and measurement in Kenya is carried out at the end of the performance cycle to compare actual achievement against the set performance targets. The comparison is computed through various matrices to arrive at a performance score. The performance scores of public institutions are further compared to rate better performance and facilitate ranking.

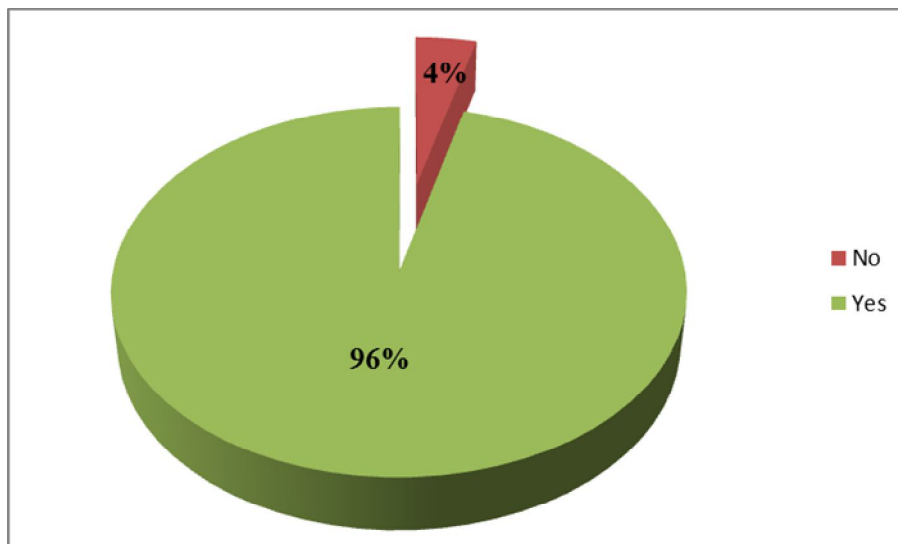
The study sought to find out how performance evaluation and measurement of results had influenced service, delivery at the commissions. According to the findings in fig. 4.9, 25 out of 31 (81%) of the respondents showed that they were satisfied with the

performance evaluation and measurement mechanism that was used to measure the achievement of results. This can be interpreted to mean that performance evaluation and measurement of results has been effective in ensuring performance improvement at the commission.

On the other hand, 6 out of 31 (19%) of the respondents were not satisfied with the measurement and evaluation. This could be attributed to little or no proper consultation was done during the evaluation and measurement exercise. Again, the evaluators' judgment could be inaccurate and biased. Although the evaluation mechanism is based on a standard formula to calculate the level of performance improvement, it is difficult to calculate the percentage attributable to performance contracting and what was attributable to other non-measurable factor such as fairness impartiality and appropriate use of discretion.

4.6.5 Challenges affecting performance measurement and evaluation

Figure 4.10: Challenges affecting performance measurement and evaluation on service delivery



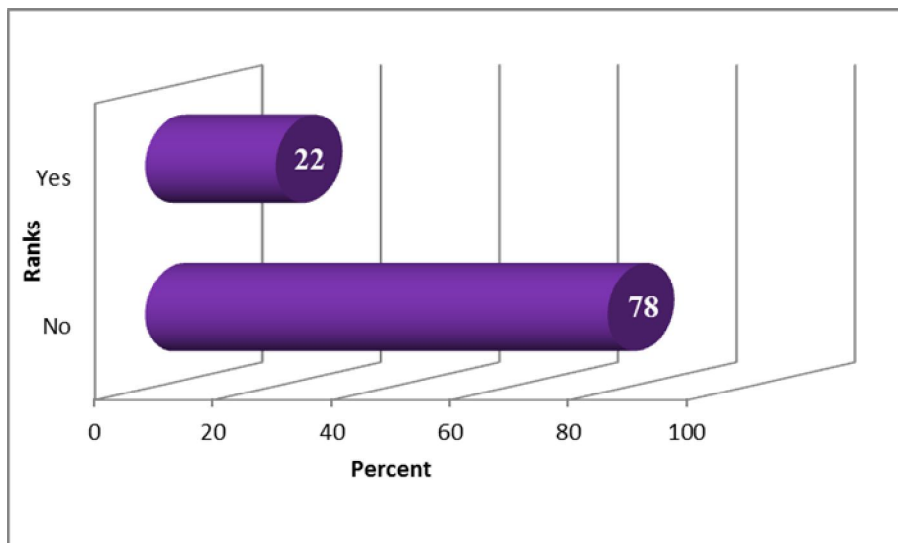
As illustrated in Figure 4.10, 30 out of 31 (96%) of the respondents felt that there are challenges that affect performance measurement and evaluation process with the TSC. On the other hand, only 1 out of 31 (4%) disagreed on the challenges within the commission. Respondents explanations were as follows: Technical issues affect performance measurement; Diverse targets for different departments creates discrepancy of easy targets and hard targets, thus lacks fairness in rating; Lack of

involvement of employees in coming up with decisions; Different grading process, lack standard form of grading; Personal attitudes against some employees affects the process; and Lack of proper tools and resources for evaluating.

From the responses given, respondents questioned the evaluation criteria saying that they were subjective. The respondents also asserted that it was hard to look at the performance of different department since they have diverse targets. Another notable challenge is the failure by the service to fully embrace performance management cultures. This is evidenced by lack of clear measurement parameters for individual public officers and organizations and declining commitment to the performance contracting initiative. The PSC is addressing this challenge by reviewing the performance management tools, introducing of a reward and sanctions policy and reviewing the institutional set up of the PC. To further address this challenge, the commission has this year 2015/16 introduced the Public Servant of the Year Award (PSOYA). These measures are expected to fully address the performance measurement challenge in the public service.

4.6.6 Disputes over performance measurement and evaluation and ranking criteria

Figure 4.11: Whether there are disputes over performance measurement and ranking criteria



The findings revealed that there were a few disputes within the performance measurement and ranking criteria in the TSC. As illustrated in Figure 4.11, 78% of the respondents said there were no disputes while 22% agreed that there exist some disputes within the Performance measurement and Evaluation systems. Respondents explanations on their rating are as follows: Less performing employees are awarded high marks; Not aware of any dispute; and There seems to be high agreement among parties.

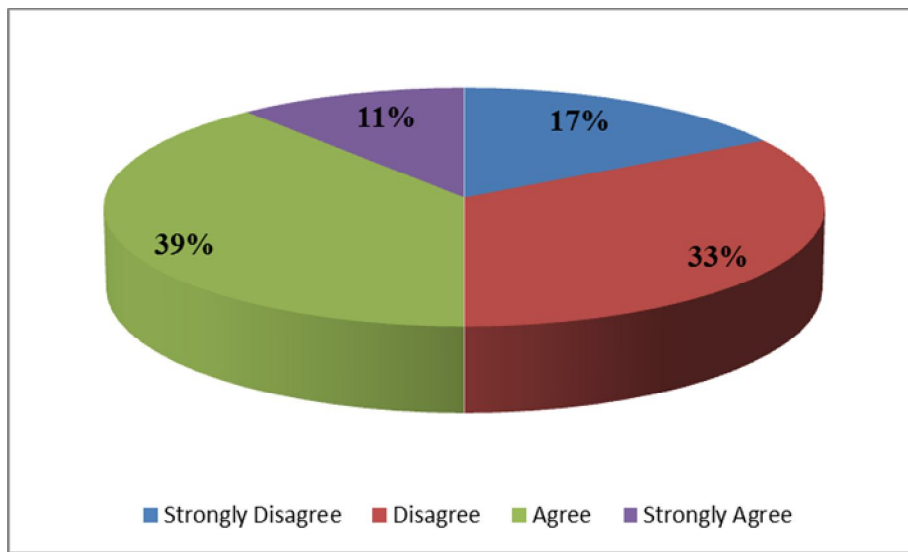
There could be manipulation of data in preparation of performance evaluation and measurement due to competition for favourable ranking and a better position at the expense of provision of quality services. Performance measurement can encourage pursuit of short term gains because of too much emphasis on results and undermine the capacity of the commission to take a long term perspective of major policies.

4.7 TSC rating by teachers

50 teachers were also incorporated in this study. They were asked to rate their level of agreement or disagreement to several statement. Also, they were required to provide explanations in form of narrative on some indicators about service delivery. The findings are as follows.

4.7.1 TSC staff willingness to serve teachers promptly

Figure 4. 12: TSC employees ability to serve promptly

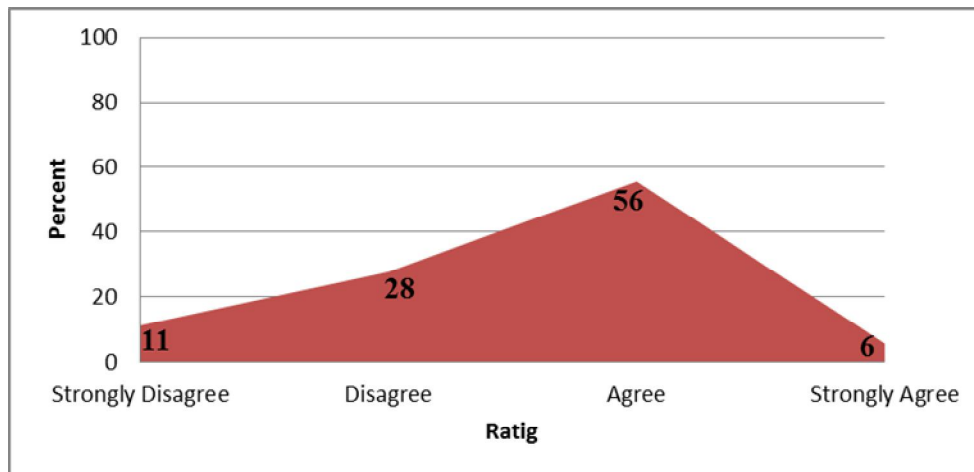


Study findings in Figure 4.12 revealed that majority of the teachers 20 out of 50 (39%) agree that staffs at the TSC have increased their willingness serve teachers. Similarly, 6 out of 50 (11%) of them strongly agree. However, 17 out of 50 (33%) of the respondents disagreed while 9 out of 50 (17%) strongly disagreed.

There is improvement in service delivery after the introduction of performance contracting. The baseline survey showed 13 out of 50 (25%) agreed that the performance at the TSC was good whereas 26 out of 50 (50%) agreed that performance has improved after introduction of PC. An improvement of 25% .

4.7.2 TSC employees response to teachers queries in a professional and polite manner.

Figure 4.13: Whether staff at TSC respond in a polite and professional manner

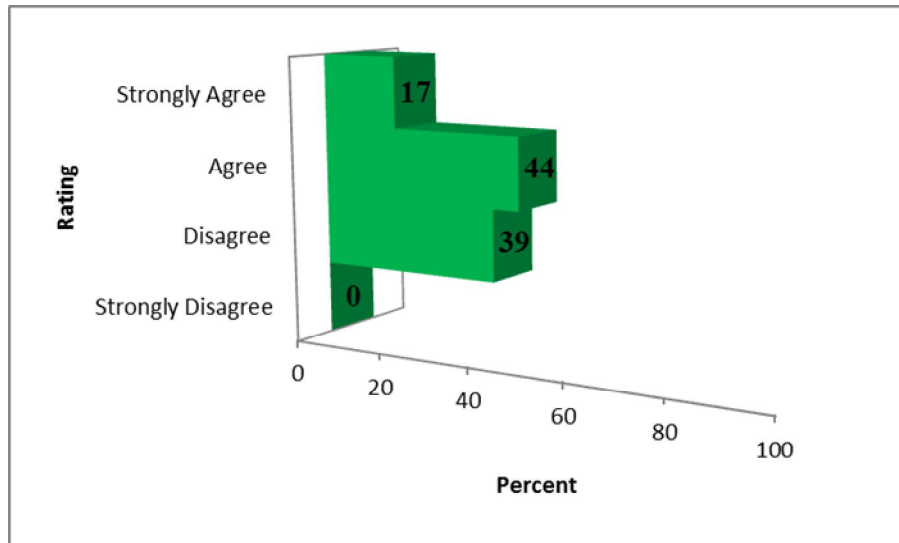


Study findings in Figure 4.14 revealed that the staffs at TSC are polite and attend to their clients in a professional manner. Majority of the teachers sampled (56%) agreed while 6% strongly agreed. On the other hand, only 28% disagreed and 11% strongly disagreed that TSC staffs are not polite and do not serve in a professional manner.

This could be attributed to training and skills development of the TSC staff to adequately understand and internalize what is required of them. This improves their effectiveness and ultimately lead to improvement in service delivery. Again this could be attributed to meeting of set targets.

4.7.4 Working relationship among TSC staff

Figure 4.14: Whether TSC staff are able to work together and relate well

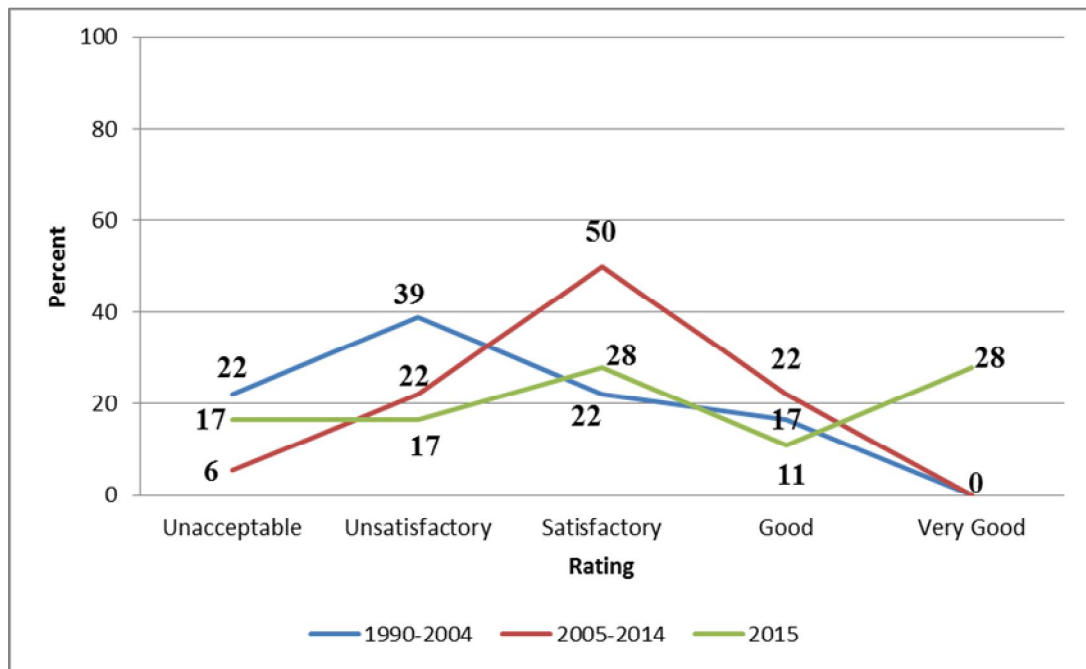


Teachers Service Commission staffs were described as having the ability to work together and relate well with each other. As demonstrated in Figure 4.15, 44% of the respondents felt that TSC staffs relate well and work together, while 17% of them strongly agreed. Only 39% of the teachers sampled disagreed that TSC staffs work together and relate well.

The effectiveness of PC was also affected positively by good working relationship among the TSC staff. The study revealed positive working relationship among employees and this enhances their participation in decision making which inspires them to achieve organizational goals and objectives.

4.7.5 Rating of service delivery at TSC

Figure 4.15: Whether TSC services have improved over time



The overall picture illustrated in Figure 4.16 indicates that between 1990 and 2004, majority of the respondents (39% unsatisfactory, 22% unacceptable) rated the TSC services low and not to their satisfaction. However, 22% and 17% of the respondents felt the services were satisfactory and good respectively during the same period. None of the respondents rated TSC services are very good. Between 2005 and 2014, 50% of the respondents rated TSC services as satisfactory while 22% rated their services as good. Only 22% and 6% of the respondents felt unsatisfied and unacceptable with TSC services.

The current situation however showed improvement as 28% rated TSC services as very good and satisfactory respectively while 11% rated services as good. On the other hand, 17% felt unsatisfied with service rendered while 17% rated their services as unacceptable. The findings are in line with the rating by TSC staff on the effectiveness of service delivery at the TSC which has recorded remarkable improvement since introduction of performance contracts.

4.7.6 Ways PC influence service delivery

Teachers were asked to describe how TSC staffs have increased their service delivery after the introduction of performance contracting systems. The following were their responses: There is increased efficiency and responsiveness in administering of duties; With outlined objectives, staffs are hardworking to accomplish them; The channels for feedback have improved as issues are addressed promptly; and Staffs are more motivated to work and serve clients.

4.7.7 What can be done to make PC more effective at the TSC

For the effectiveness in performance contracting to be attained, sampled teachers recommended the following measures: TSC require to frequently sensitize employees on how PC systems works and its importance in the realization of institutional goals; there is need to enhance rewards systems within the PC systems; supervisors need to increase their listening abilities of their supervisee; and there is need for TSC and appraisers to increase follow ups of set targets so as to address challenges that may come up in implementation.

The principal-agent agreement model attributes poor performance in the public sector to existence of information asymmetry between the principal and the agent. It also under performs because public officials pursue their own narrow interests rather than public interest. In conclusion, data from the TSC staff and teachers indicate that there is still more to be done for the commission to yield more positive outcomes. Despite the PC experiencing challenges, there are positive outcomes recorded with the PC.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter therefore presents the summary of the study, conclusions, recommendations and areas for further research.

5.2 Summary of the study

Performance contracting is a piece of more extensive open division changes went for enhancing effectiveness and capability while decreasing aggregate expenses in the administration of open administration. Performance contracts began from the observation that the performance of general society area has been reliably falling underneath desires of the general population. Inside the TSC. The implementation of performance contracts was to address issues such as improving performance to convey quality and auspicious administrations to the natives, enhancing profitability, impart feeling of responsibility and straightforwardness in administration conveyance and use of assets and offer independence to government offices without being subjected to the organizations and pointless techniques.

The study has evaluated the impacts of performance contracting on administration conveyance at the Instructors Benefit Commission. The study collected information from employees in a selected sample of departments that had adopted PC.

The study found out that performance contracting have led to significant improvement in performance at the Teachers Service Commission. Since the introduction of PC in 2006 at the TSC service delivery had generally improved in terms of productivity, responsiveness and accountability for results. This was attributed to availability of clear and measurable performance objectives and specific expectations. Despite the positive impact observed some other factors could have contributed such as modern infrastructure, increased motivation and team work.

On performance target, the study found that performance targets improves performance and has significant impact on service delivery. The setting of performance targets is a central issue in the process of designing effective PC and in ensuring that expectation are clear and results are measurable and appropriate to the

goals. One way of ensuring continued improvement of service delivery is by setting achievable, realistic and time bound (SMART) targets.

The study further found that performance measurement and evaluation enhanced performance at the Teachers Service Commission. Therefore the service delivery to the teachers has significantly improved. It is used to compare actual performance against the set performance targets and this means that it is effective in ensuring performance improvement at the commission. There were some challenges though like it being prone to manipulation at the expense of effective service provisions.

In addition, the study found that lack of employee involvement in performance contracting process leads to lack of ownership resulting in poor implementation and poor performance. It ought be reduced down to ensure that every employee is brought on board. Greater involvement of employees in PC would perhaps lead to better service delivery at the commission.

Finally, the study found out that the main recipients of services who are teachers collaborated that there is improvement in service delivery at the Teachers Service commission. This therefore could be attributed to performance contracting at the TSC, which focused the employees to their job.

5.3 Conclusions

One of the particular goals of the study was to evaluate the degree to which performance contracts have on service delivery. It is evident that performance contracting have reduced the time spent by employee to undertake their assigned duties, services have also become more accessible and timely, staff participation in planning and implementation of programmes has also increased since the inception of performance contracting. Another specific objective of the study was to establish the extent to which performance targets affects service delivery. Based on the findings of the study, it is obvious that performance targets have positive effect on service delivery. This can be attributed to good planning of activities which prioritizes targets. It also ensures that the expectations are clear and results are measurable and appropriate to the goals. These performance targets therefore are effective in pressuring staff to exert more effort at work and in the process improve in service delivery.

In the last and third objective of the study, the study sought to examine the extent to which performance measurement and evaluation impacts on service delivery. It is evident that performance measurement and evaluation has been effective in improving performance at the TSC. Performance evaluation and measurement is done to compare actual achievement against the set performance targets. The comparison is computed through various matrices to arrive at a performance score. The performance scores of public institution are further compared to rate better performance and facilitate ranking. Over the years, the ranking of TSC has improved showing that there is improved service delivery.

In addition, the study found that lack of employee involvement in performance contracting process leads to lack of ownership resulting in poor implementation and poor performance. It should be cascaded to the lower levels to ensure that every employee is brought on board. Greater involvement of employees in PC would perhaps lead to better service delivery at the commission.

The study also found out that the main recipients of services who are teachers collaborated that there is improvement in service delivery at the Teachers Service Commission. This therefore could be attributed to performance contracting at the TSC, which focused the employees to their job.

Finally, the study concludes that performance contracting is not a panacea to all service delivery challenges at the Teachers Service Commission. It is undermined by budgetary and capacity constraints and corruption. These constraints should be addressed so as to enhance the effectiveness of PC.

5.4 Recommendations

This study came up with the following recommendations:

1. To ensure effectiveness of performance contracting in improving service delivery at the TSC, top level managers should involve all staff so that they promote ownership and accountability for results.
2. There should be reward and sanction policy at the TSC to motivate employees to improve on service delivery.

3. The government should come up with mechanisms to have zero-tolerance to corruption to ensure that the available scarce resources are utilized towards the achievement of the goals and objectives of the organization.
4. The performance measurement and evaluation mechanism should be reviewed to reflect the real impact and tangible deliverables to the teaching fraternity as opposed to current trend where provision of documents as evidence of achievement of performance targets which could lead to manipulation of data for purposes of favourable ranking.

5.5 Suggestions for further studies

The study assessed the impacts of performance contracting on service conveyance at the Teachers Service Commission which had already adopted performance contracting. To this end, a study focusing on schools that had not yet adopted performance contracting should be carried out to establish the status of their performance in the absence of performance contracts and the possibility of putting them on performance contracting.

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APPENDIX

Appendix 1: Introduction Letter

Dear Respondent,

My name is Paul M. Waruri a student at Nairobi University, currently pursuing a master's degree in Public Administration. I am conducting a research on **“The Impact of Performance Contracting on Service Delivery: The Case of Teachers Service Commission of Kenya, 2005-2014.”** You have been identified as a respondent in this study. Kindly provide the information that has been requested. Any information given will be used for this study only and will be treated with utmost confidentiality.

Thank you.

Appendix 1: Questionnaire