

**MODERATING EFFECT OF IMPLEMENTATION FACTORS ON THE
RELATIONSHIP BETWEEN PERFORMANCE CONTRACTING AND
SERVICE DELIVERY OF EMPLOYEES AT HUDUMA CENTRES
IN WESTERN KENYA**

BY

WESONGA JUSTUS NYONGESA

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS
ADMINISTRATION**

SCHOOL OF BUSINESS AND ECONOMICS

MASENO UNIVERSITY

© 2021

DECLARATION

Declaration by the Candidate:

This thesis is my original work and has not been previously presented for a degree in Maseno University or in any other University. To the best of my knowledge and belief, the thesis contains no material previously published, and all sources of theoretical and empirical information have been acknowledged by means of references.

Signature Date.....

Wesonga Justus Nyongesa
PHD/BE/00177/2014

Approval by Supervisors:

This thesis has been submitted for examination with our approval as University supervisors

Signature Date.....

Dr Samson Ntongai
Department of Business Administration
Maseno University

Signature Date.....

Dr Charles Ondoro
Department of Business Administration
Maseno University

Approval by the Advisor:

This thesis has been submitted for examination with my approval as University advisor

Signature Date.....

Dr Fredrick Aila
Department of Business Administration
Maseno University

ACKNOWLEDGEMENT

I wish to extend my gratitude to my supervisors: Dr Samson Ntongai, Dr Charles Ondoro and Dr Frederick Aila for their guidance and support during my research. I also extend my sincere gratitude to my friends who have continued inspiring me in my studies; their encouragement and guidance in going through my entire research activities and my dear family particularly my wife Elizabeth Mosabi who stood with me both socially and financially. Above all, thanks be to the Almighty God for grace and life.

DEDICATION

I dedicate these entire thesis to the Almighty God who enabled me to go through till the end and now am fulfilled. Thank you Lord

ABSTRACT

The Kenyan Government has pressures from its citizens to improve on service delivery and be responsive to citizen's needs. Attempts such as privatization, voluntary early retirement and restructuring did not improve on service delivery. Performance contracting was introduced as an option and is now being used together with Huduma Centres. The centres serve 30,000 customers daily against a target of 60,000 customers and on revenue, the centres collect Kshs 12 billion annually against a target of Kshs 30 billion according to a Government report of 2018. Focus of previous studies in resolving this around performance contracting have majorly been case studies and not surveys. Further from reviewed literature, performance contracting influence service delivery, performance and accountability. However other studies reveal that it does not result in increased customer care activities, effectiveness and efficiency and reduction in the number of customer complaints. These are mixed findings from case studies, an indicator of a moderation effect yet to be tested. Additionally, reviewed studies show that resource factors and personal factors influence service delivery but their moderating influence has not been checked. However, there is hardly evidence for empirical testing of the factors individually or jointly as having a moderation effect on the relationship between performance contracting and service delivery. The purpose of this research was to determine the moderating effect of implementation factors on the relationship between performance contracting and on service delivery in Huduma Centres Western Kenya. Specific objectives were, to determine the relationship between performance contracting and service delivery, to establish the moderating effect of resource factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya, to establish the moderating effect of personal factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. The study was anchored by Vroom's Expectancy Theory and Goal Setting Theory and utilized correlational survey research design. The target population was 276 workers at the 5 Huduma Centres in Western Region in a census survey. Pilot results ($N=10$) revealed 41-item instrument overall mean reliability $\alpha=0.819$. Construct validity was backed by the literature and confirmed by expert review. Results revealed proportion of variance in the Service delivery explained by the Performance Contracting is 32.4 % or $R^2=0.324$. specifically, performance contracting ($\beta = 0.562, p = 0.000$) had positive significant effect on service delivery among Huduma Centres. Resource factors ($\Delta R^2=0.158; p=0.000$) positively and significantly moderated the relationship significantly implying the interactive effect of resource factors improved service delivery levels by 15.8 % while personal factors ($\Delta R^2=0.0338; p=0.000$) positively and significantly moderated the relationship meaning the interactive effect of personal factors improved service delivery levels by 3.38%. The study concluded that performance contracting practices are significant predictors of service delivery levels; resource factors and personal factors has a positive moderating effect on the relationship between performance contracting and service delivery. Recommendations were that firms should continue enhancing performance contracting practices, provides for resource and personal factors as these efforts enhance service delivery in Huduma Centres in Kenya. The study's significance is informing the literature and government policy by isolating resource factors and personal factors as key variables for improving public sector service delivery.

TABLE OF CONTENTS

| | |
|---|----------|
| DECLARATION | ii |
| ACKNOWLEDGEMENT | iii |
| DEDICATION..... | iv |
| ABSTRACT..... | v |
| TABLE OF CONTENTS..... | vi |
| LIST OF ABBREVIATION AND ACRONYMS..... | xi |
| DEFINITION AND OPERATIONALIZATION OF TERMS..... | xi |
| LIST OF TABLES | xiii |
| LIST OF FIGURES | xiv |
| CHAPTER ONE: INTRODUCTION | 1 |
| 1.1Background of the Study..... | 1 |
| 1.1.1 Global and African Perspective | 2 |
| 1.1.2 Kenyan Perspective..... | 3 |
| 1.2 Huduma Centres..... | 8 |
| 1.3 Service Delivery..... | 11 |
| 1.4 The Statement of the Problem..... | 13 |
| 1.5 The Objectives of the Study | 14 |
| 1.6 The Research Hypothesis | 15 |
| 1.7 The Scope of the Research | 15 |
| 1.8 The Significance of the Study | 16 |
| 1.9 A Conceptual Framework | 17 |
| 1.9.1 Resource Factors..... | 18 |
| 1.9.2 Personal Factors..... | 19 |
| 1.9.3 Performance Contracting | 21 |

| | |
|---|-----------|
| 1.9.4 Service Delivery..... | 22 |
| CHAPTER TWO: LITERATURE REVIEW | 23 |
| 2.1 Introduction..... | 23 |
| 2.2 Theoretical Literature Review | 23 |
| 2.2.1 Vroom’s Expectancy Theory | 23 |
| 2.2.2 Goal Setting Theory..... | 26 |
| 2.3 Implementation of Performance Contracting in Kenya | 29 |
| 2.4 The Concept of Performance Contracting as a Tool of Management | 32 |
| 2.5 The Objectives of Introducing Performance Contracts in Kenya | 37 |
| 2.6 Performance Contracting Management Processes..... | 38 |
| 2.7 Performance Contracting and Implementation | 42 |
| 2.8 Performance Contracting and Planning | 44 |
| 2.9 Monitoring and Evaluations of Performance Contracts..... | 45 |
| 2.10 Impact Evaluation of Performance Contracting..... | 46 |
| 2.11 Performance Contracting Milestones..... | 49 |
| 2.12 Performance Contract Implementation Factors and Service Delivery | 52 |
| 2.13 Empirical Literature Review | 55 |
| 2.13.1 Performance Contracting and Service Delivery | 55 |
| 2.13.2 Personal Factors and Service Delivery | 72 |
| 2.13.3 Resource Factors and Service Delivery | 81 |
| CHAPTER THREE : RESEARCH METHODOLOGY | 89 |
| 3.1 Introduction..... | 89 |
| 3.2 Philosophy of the Study and Research Design | 89 |
| 3.2.1 Philosophy of the Study | 89 |
| 3.2.2 Research Design and Paradigm | 91 |

| | |
|--|-----|
| 3.3 Study Area | 91 |
| 3.4 Target Population..... | 92 |
| 3.5 Sampling | 95 |
| 3.5.1 Sampling Technique | 95 |
| 3.6 Data Methods | 95 |
| 3.6.1 Types and Sources of Data..... | 95 |
| 3.7 Measurement of Variables | 95 |
| 3.8 Data Collection Procedure | 96 |
| 3.9 Instrument for Data Collection | 97 |
| 3.10 Validity and Reliability of the Instruments..... | 97 |
| 3.10.1 Validity | 97 |
| 3.10.2 Reliability Tests | 98 |
| 3.11 Data Analysis and Presentation | 100 |
| 3.12 Data Cleaning..... | 100 |
| 3.13 Descriptive Data Analysis..... | 101 |
| 3.14 Inferential Analysis | 101 |
| 3.15 Model Formulation and Estimation | 101 |
| 3.15.1 Testing for Direct Effects..... | 101 |
| 3.15.2 Testing for Moderation Effects | 102 |
| 3.16 Diagnostic Tests..... | 103 |
| 3.16.1 Testing Normality of Data Distributions | 104 |
| 3.16.2 Normality of the Performance Contracting Variable | 104 |
| 3.16.3 Normality of the Resource Implementation Factors Variable | 105 |
| 3.16.4 Normality of the Personal Implementation Factor Variable | 105 |
| 3.16.6 Testing for the Linearity Assumption | 107 |

| | |
|--|------------|
| 3.16.7 Testing for Homogeneity of Variances | 108 |
| 3.16.8 Testing for Multicollinearity | 108 |
| 3.16.9 Testing for Autocorrelation..... | 109 |
| CHAPTER FOUR: RESULTS AND DISCUSSIONS | 111 |
| 4.1 Introduction..... | 111 |
| 4.2 Preliminary Results | 111 |
| 4.2.1 Response Rate..... | 111 |
| 4.2.2 Missing Data | 111 |
| 4.2.3 Outliers..... | 113 |
| 4.3 General Profile of Respondents | 117 |
| 4.4 Descriptive Analysis of Study Variables | 118 |
| 4.4.1 Performance Contracting Among Huduma Centres | 118 |
| 4.4.2 Resource Factors Experienced in Huduma Centres..... | 121 |
| 4.4.3 Personal Factors that Influence Implementation of Performance Contracting | 123 |
| 4.4.4 Service Delivery in Huduma Centres | 126 |
| 4.5 Inferential Analysis | 128 |
| 4.5.1 Examining the Relationship between Performance Contracting Measures and Service Delivery..... | 128 |
| 4.5.2 Establishing the Moderation Influence of Resource Factors on the relationship between Performance Contracting and Service Delivery in Huduma Centres, Kenya | 141 |
| 4.5.3 Establishing the Moderating Influence of Personal Factors on the Relationship between Performance Contracting and Service Delivery of Huduma Centres in Kenya ... | 147 |
| 4.6 Summary of the Hypothesized Empirical Framework and Results | 154 |

| | |
|---|------------|
| CHAPTER FIVE: SUMMARY , CONCLUSIONS AND RECOMMENDATIONS... | 156 |
| 5.1 Introduction..... | 156 |
| 5.2 Summary of Findings..... | 156 |
| 5.3 Conclusions of the Study | 158 |
| 5.4 Implications of the Study | 158 |
| 5.4.1 Theoretical Implications of the Study..... | 159 |
| 5.4.2 The Study Implications for Practice | 161 |
| 5.5 Recommendations of the Study | 163 |
| 5.6 Limitations of the Study..... | 164 |
| 5.7 Suggestions for Further Studies | 165 |
| REFERENCES..... | 166 |
| APPENDICES | 183 |

LIST OF ABBREVIATION AND ACRONYMS

| | |
|----------------|--|
| DV | Dependent Variable |
| IV | Independent Variable |
| EP | Employee Performance |
| ERSWEC | Economic Recovery Strategy for Wealth and Employment Creation |
| GOK | Government of Kenya |
| NPM | New Public Management |
| OECD | Organization for Economic Corporation and Development |
| PC | Performance Contracting |
| PCSC | Performance Contracting Steering Committee |
| UK | United Kingdom |
| USA | United States of America |
| HELB | Higher Education Loans Board |
| NRB | National Registration Bureau |
| NSSF | National Social Security Fund |
| NHIF | National Hospital Insurance Fund |
| KRA | Kenya Revenue Authority |
| DCI | Directorate of Criminal Investigation |
| ICT | Information Communications Technology |
| KNHRC | Kenya National Human Rights Commission |
| KPLC | Kenya Power and Lighting Company |
| EACC | Ethics and Ant-Corruption Commission |
| NTSA | National Transport and safety Commission |
| AGPO | Access to Government Procurement Opportunities |
| NACOSTI | National Commission for Science, Technology and Innovation |

DEFINITION AND OPERATIONALIZATION OF TERMS

Huduma Centre: It is an all-in-one place shop which allows the citizens to be able to access various services and information from one place through diverse customer points

Implementation Factors: This comprises of the resource factors and personal factors where resource factors refer to the budget, communication channels, rules and regulations, employee involvement, computer and internet, and office space: Personal factors for this study will refer to working conditions, level of education, remuneration, management styles, workers attitudes and beliefs, workers right perceptions about performance contracting and rewards

Accountability: The accountability referred to in this study involves taking responsibility by contracting parties for performance objectives established and agreed upon in the performance contract

Operational autonomy: The term operational autonomy refers to the freedom to achieve the goals of the Public Enterprise. It involves the manner in which once performance targets are set and agreed upon between two parties say between a manager and the employee the work to be done is left up to the officer who is given as much freedom as possible in figuring out how best to meet the organization's performance objective.

Performance evaluation: Performance evaluation involves the measurement of the level of achievement of performance targets/objectives set at the beginning of the contract period.

Performance Planning: 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

Performance target setting: Is the process of establishment of specific performance objectives /goals at the beginning of a contract period

Service Delivery Model: It is a method that is used by the state to help improve on service delivery to its citizens. The government of Kenya has tried various methods including retrenchment, Golden handshakes, devolution and now performance contracts Performance contracts have treated more seriously across all government agencies and parastatals.

Western Kenya: For the purpose of this study, Western Kenya will refer to former provinces of Nyanza, Western and Rift valley

LIST OF TABLES

| | |
|--|-----|
| Table 3.1 Target Population..... | 94 |
| Table 3.2 Variable Measurement..... | 96 |
| Table: 3.3 Analysis of Internal Consistency..... | 99 |
| Table 3.4 Test of Homogeneity of Variances..... | 108 |
| Table 3.5 Collinearity Diagnostics..... | 109 |
| Table 3.6 Test of Autocorrelation..... | 109 |
| Table 4.1 Missing Patterns (cases with missing values)..... | 112 |
| Table 4.2 Multivariate Outliers..... | 116 |
| Table 4.3 Demographic Characteristics..... | 117 |
| Table 4.4 Performance Contracting in Huduma Centre's..... | 119 |
| Table 4.5 Resource Factors experienced at Huduma Centres..... | 121 |
| Table 4.6 Personal Factors experienced at Huduma Centres..... | 124 |
| Table 4.7 Service Delivery experienced at Huduma Centres..... | 126 |
| Table 4.8 Correlations Between performance contracting Measures and Service delivery..... | 129 |
| Table 4.9 ANOVA Results on the Relationship Between Performance Contracting Measures and Service Delivery..... | 130 |
| Table 4.10 Estimated Regression Coefficients for Variables in Performance Contracting-Service Delivery Model..... | 131 |
| Table 4.11 Summary of Performance Contracting-Service Delivery Model..... | 132 |
| Table 4.12 Estimated Regression Coefficients for Variables in the Effect of Resource On the Relationship between Performance Contracting-Service Delivery Model..... | 142 |
| Table 4.13 Estimated Regression Coefficients for Variables in the Effect of Resource On the Relationship between Performance Contracting-Service Delivery Model..... | 149 |
| Table 4.14 Summary of the Hypothesized Empirical Framework and Results..... | 155 |

LIST OF FIGURES

| | |
|---|-----|
| Figure 1.1 Analysis of Performance Contracting and performance contract implementation on service delivery..... | 17 |
| Figure 2.1:ExpectancyTheory..... | 25 |
| Figure 3.1 Normality on Performance Contracting..... | 104 |
| Figure 3.2 Normality on Resource factors..... | 105 |
| Figure 3.3 Normality on Personal Factors..... | 106 |
| Figure 3.4 Normality on Service Delivery..... | 106 |
| Figure 3.5 Linearity Assumptions..... | 107 |
| Figure 4.1 Performance Contracting outliers..... | 113 |
| Figure 4.2 Resource Factors Outliers..... | 114 |
| Figure 4.3 Personal Factors Outliers..... | 115 |
| Figure 4.4 Service Delivery Outliers..... | 115 |
| Figure 4.5 Interaction Plot for PC*RF..... | 143 |
| Figure 4.6 Interaction Plot for PC*PF..... | 150 |

CHAPTER ONE

INTRODUCTION

This chapter introduces the concept of performance contracting, factors which determine its implementation and how it impacts on service delivery with a view to establishing research gaps that can be addressed. It also brings out the concept of Huduma Centre's in the Kenyan context, and highlights the problem to be addressed, research objectives, postulations made, the scope of coverage, justifications for conducting the study and the researcher's conceptual model.

1.1 Background of the Study

Performance contracting as a concept evolved from the need to maximize performance among public entities and deliver better and quality services. CAPAM (2005) points out that a performance contract strategically seeks to commit two or more parties towards a performance obligation through some binding agreement and ultimately give out the best services. In this way, a system is designed whereby relevant information required in the process of performance is easily accessible to both parties.

Akaranga (2008) opines that in seeking to measure performance, a performance contract outlines performance criteria and indices which individuals should use in going about assigned tasks aimed at desired targets. The argument made here is that a concisely outlined structure enables the vetting and evaluation of performance in line with desired outcomes. Moreover, citizens are able to gauge whether their resources are being utilized efficiently. Such institutionalization of citizen-centric culture is bound to improve service delivery.

1.1.1 Global and African Perspective

Optimization of operational costs among entities is such that systems used in operations require improvement owing to the dynamism in the business environment and the complexity of organizational missions. Among the mechanisms employed to improve operational systems within organizations is the adoption of the performance management paradigm that was meant to increase service delivery to the citizens. Under this shift in thinking, the concept of performance contracting has gained traction with enterprises in countries such as Pakistan, Sri Lanka, China, Korea and India adopting the concept. The African continent has not been left out from the shift in the thinking of performance management. Enterprises drawn from countries such as Benin, Burundi, Cameroon, Cape Verde, Congo, Cote d'Ivoire, Gabon, the Gambia, Ghana, Guinea, Madagascar, Mali, Mauritania, Morocco, Niger, Senegal, Togo, Tunisia and Zaire have taken to performance contracting. The concept of performance contracting has also permeated the Latin American context. Enterprises drawn from countries such as Uruguay, Argentina, Venezuela, Colombia, Mexico, Brazil, Bolivia, and Chile have at one time or the other used performance contracting. Performance contracting has also been employed in enterprises in other countries such the United States of America (USA), United Kingdom (UK), Denmark, Finland, and Canada among others (Kobia & Mohammed,2006).

In China, Shirley (2000) observed that performance contracting has been applied in State Owned Enterprises and World Bank projects ostensibly to help boost service being delivered to the citizens. However, according to her, World Bank report of state owned enterprises studied across China and many other developing countries confirmed lack of evidence that performance contracting had led to increased efficiency and higher service delivery in the public sector, although she agrees that performance contracting had been effective in performance improvement in the private sector for a longtime.

The evolution of performance contract in the African context is informed by the negative perception among scholars regarding performance of the public sector in African Nations. Most of these Nations have subsequently initiated reforms targeting the public sector with a focus towards seeing improved delivery of service to the public. In Swaziland for instance, use of performance contracts can be traced to the early 1990's during the promulgation of the Public Enterprise Act of 1989 (Musa, 2001). The Act was established ostensibly to put in place mechanisms through which Swaziland's public sector could be controlled, following a national outcry on the poor services and administrative and financial burden that public enterprises were putting on the Government. This clearly points out to an important issue which defines why performance contracting has not fully achieved its objectives.

1.1.2 Kenyan Perspective

The concept of performance Contracting was first introduced towards the management of state corporations in Kenya in 1989 (Kobia & Mohammed, 2006). A Parastatal Reform Strategy Paper, which was earnestly approved by cabinet in 1991, was the first official recognition of the concept of a performance contracting. The first two parastatal to be on Performance Contracting were Kenya Railways Corporation and the National Cereals and Produce Board. Kenya Railways signed a performance contracting in April 1989 and National Cereals and produce Board signed theirs in November 1990. The performance contracting of Kenya Railways Corporation and the National Cereals and Produce Board eventually failed due to lack of Political goodwill to drive this noble process and as such there was nothing to show of the implementation. It was perceived as donor-driven process and as such it received less enthusiasm. The performance contracting did not conform to the requirements of the three subsystems of a performance contracting as they lacked the performance incentive system in place, there was no provision for the impact of external

factors such as changes in Government of Kenya policy, rates of inflation, exchange rate fluctuations that would have made evaluation fair (Kobia & Mohammed, 2006). The challenge which faced the implementation of a performance contracting in the two corporations must have been surmounted, this is because the literature of performance contracting points out that a performance contracting has been effectively implemented in the Kenyan public sector.

Performance contracting was re-introduced in Kenya in 2003 alongside result based management (Economic Recovery Strategy for Wealth and Employment Creation, 2003). Soon after launching the Economic Recovery Strategy for Wealth and Employment Creation in 2004, in the same year the Government introduced Results Based Management in the Public Service as a deliberate policy in order to improve performance, service delivery and governance (Republic of Kenya, 2004). Result Based Management was a participatory and team-based management approach designed to achieve defined results by improving on planning, programming, management efficiency, effectiveness, accountability and transparency (Canadian International Development Agency (CIDA, 2000). As part of Result Based Management planning involves performance target setting where strategic plans are broken down to yearly performance plans which are then contracted between the government and state-owned enterprise. This performance targets are further broken from organizational to individual performance targets which form the basis for employee performance appraisal at the end of the contracting period.

The year 2003 for Performance Contracting in Kenya was Blueprint containing policy direction on introduction of Performance Contracts issued as part of Economic Recovery Strategy for Wealth and Employment Creation (2003-2005), the same year saw the

establishment of Performance Contracting Steering Committee. In 2004 performance contracting was piloted in 16 government State Owned Enterprises after which, in 2005 massive training was conducted on performance contracting and signing of performance contracts by all ministries in 2005 was effected (Trivedi, 2007). The shift to results orientation and Performance Contracting entailed a transformation of current procedures and practices to achievement of results as a focus, this orientation has led to measurement of performance in terms of results.

Mutiso (2013) in a study carried out Taita Taveta county on service delivery, noted a positive bond between quality of service delivered and, human resource recruitment and selection of personnel but not on the efficiency of the service. The study also established that employee safety and clear policies are essential in service delivery. Osman (2014) in the study on local authorities in Malaysia, pointed out that simplifying of rules and regulations led to increase in service delivery. It's evident that resource factors affect service delivery.

Omondi (2016) in his study in hospitals in Kenya, established that information technology affected delivery of services to the public as demonstrated through 57% of participants, the level of training affected service delivery as shown by 97% participants, inadequate supply of equipment also affected service delivery and also the style of management affected the delivery services by increasing the number of customers served daily. Njoroge (2013), in his study in hotel industry in Kenya found out that salaries or remuneration, working conditions and level of training affected service delivery. Wanjau (2012) did a study and established that lower employee capacities occasioned a decline in provision of quality services. It's evident that personal factors influence service delivery.

Mwiti & Gongera (2013) in their study on Kenyatta University established that performance contracting increased service delivery. It also increased on efficiency and effectiveness in realizing the standards set. On the other hand, (Ombuki, 2011; Bomett, ;2005) found out that performance contracting led to increase in revenue collection in the ministry of lands. Njoroge (2014) while studying on teacher training colleges in Kenya established that performance contracting increased service delivery but it limited employee creativity and innovation. The study also noted that for service delivery to increase then the targets must be cascaded down to all workers. Republic of Kenya (2010) pointed out that performance contracting increased service delivery in Government ministries but impacted negatively in some ministries. Equally Macharia (2014) noted from his study that Government policy, employee motivation and organizational culture are factors that influences service delivery and not performance contracts

Alwy (2012) in his study on the Municipal council of Mombasa found out that performance contract increased service delivery, employee accountability and team spirit. Okech (2017) in his study established a strong linkage between performance contracting and efficiency in provision of service delivery through a decline in operational costs, improved revenue and enhanced resource use. However, the study noted challenges to service delivery as including inadequate resources and lack of training and formal rewards

Manwa, Kindiki and Boit (2014) in their study in technical institutes in Kenya confirmed that performance contracting was not the cause of tutors training in proper instructional resources thereby failing to increase service delivery. However, Kogei, Yano, Chepkemoi and Chebet (2013) established from a study in Moi teaching and referral hospital that, performance contracting was not responsible to any meaningful quality of services offered to the

population. Kogei et al. (2013) further noted that, the same had been tried in Malaysia, Singapore and even USA and had mixed results as outcomes

Teresa (2007) while investigating on public sector efficiency found out that inappropriate human resource management practices negatively affected delivery of services. The study also noted that budgeting and budget following helps to boost the delivery of services because the goals are prioritized, transparency and focus is maintained. The study however established that performance contracting did not result into increased revenue for the organization. Kwedho (2015) in the study on secondary school teachers service delivery, established that performance contracting did not enhance learning in schools nor did they reduce on recurrent expenditure

From the literature reviewed performance contracting influenced service delivery positively but other studies indicated a negative influence. This means performance contracting had positive results but in some studies it did not. Reviewed studies points out that, performance contracting resulted into enhanced customer sensitivity, convenience and control, greater target achievement and effectiveness, increase in revenue, employee accountability and team spirit. In contrast other studies reviewed did not find performance contracting as having resulted into increased service delivery, but rather demonstrate that it did not result in increased service delivery, it did not bring any meaningful change in quality of services delivered nor enhanced learning in schools and did not reduce on recurrent expenditure.

From the literature reviewed the studies targeting performance contracting and service delivery in Kenya have only been case studies. These include the works of Mauya(2015) who studied Ministry of Tourism, Omar (2012) who studied Municipal council of Mombasa,

Olive(2012) who studied Jomo Kenyatta University of Science and Technology, Letangule and Letting(2012) who researched on Ministry of Education and; Mwititi and Gongera(2013) who focused on Kenyatta University. Others are (Ombuki, 2011;Bomett, 2015) who did a case study of Ministry of Lands, and Kogei, Yano, Chepkemai and Chebet (2013) who studied Moi Teaching and Referral Hospital. All these studies were case studies with little information on survey. The mixed results indicate need for further studies to further establish this relationship. Moreover, the studies were case studies with limited evidence on what results would be if a survey was conducted. Alongside performance contracting, Huduma Centres mooted in Kenya as avenues to enhanced delivery of services to the public. Empirical testing on this has however not been done.

From the reviewed literature regarding how performance contracting influences delivery of services, mixed results are inferred where some studies showed a remarkable influence on service delivery while some other studies disagreed. This is an indication of a moderation effect yet to be tested. Indeed, this constitutes a gap that the researcher seeks to fill. From the literature reviewed, resource factors and personal factors have effect on service delivery but no studies have established their moderating effect individually or jointly on the bond that connects performance contracting to delivery of services to the public.

1.2 Huduma Centres

The Huduma centre concept was mooted and launched by the Kenya Government to run parallel with performance contracting in order to alleviate dissatisfaction among the citizens regarding the poor services that are delivered to the public. The basic assumption underlying the Huduma centre concept is that real transformation in the delivery of public services can only be realized by concentrating the diverse public services, as well as relevant information

at one specific point in the mold of ‘one stop shop’ (Republic of Kenya, 2018). Consequently, through an integrated technology platform, citizens can access a diversity of services easily and efficiently at the Huduma centres. Huduma centres are therefore facilitated to provide a wide variety of public services. Through the Huduma Kenya platform, the government aims at enabling citizens to access integrated public services via their phones, computers and personal digital assistants (PDA). The new portal is also expected to enhance service delivery and eradicate graft loopholes.

Users will also be able to directly post their comments and complaints regarding government services. Other important information that will be readily available on the portal includes (Republic of Kenya, 2011)

- a) Renewal of Drivers licenses and Status check
- b) Duplicate National Identity Card
- c) National Hospital Insurance Fund Registration and Claims
- d) National Hospital Insurance Fund Member Statements and accredited Institutions
- e) Assessment and Payment of Stamp Duty –Lands
- f) Search and Registration of Business Names
- g) Registration of Welfare Groups
- h) Public Procurement Oversight Authority Filing reviews and /or addressing complaints in procurement and disposal
- i) Student Loan Application – Higher Education Loans Board
- j) Student Loan Repayment Services – Higher Education Loans Board
- k) National Social Security Fund Registration

- l) NSSF Member Statements and Benefits
- m) Reporting Corruption – Ethics and Anti-Corruption Commission
- n) Ethics and Anti-Corruption Commission Clearance Certificate
- o) Status of Pension Claims
- p) Kenya Police Abstract
- q) Community Policing- Nyumba Kumi
- r) Public Complaints through the Commission on Administrative Justice – Ombudsman (Republic of Kenya, 2011)

Huduma centres provides a number of services efficiently at the central point. Huduma is a Kiswahili word meaning a service. Therefore, the central role of Huduma center is to transform the public sector in terms of the services delivered to its clients (Oyugi, 2012). Currently, the centres have brought on board most of the services that the government provides to the public, and in some cases, citizens can access well over 60 public services at any given Huduma centre. While Drezner (2012) points out that a service should be delivered at demand points. The attraction of the service point is measured by the speed at which one accesses the services. Kenya was ranked above position 200 on provision of services to its citizens but with introduction of Huduma Centres coupled with performance contracting the position moved to 92 globally. However there remained a few challenges according to the internal ministerial report by the parent Ministry of Interior and Coordination of National Government. For instance, it was noted that the Centres serves 30,000 customers daily against a target of 60,000. On revenue the Centres collects Kshs 12 billion annually against a target of Kshs 60 billion. These targets were set at the beginning of performance contracting period in 2013 by the Huduma Centre managers at the Headquarter and signed with the parent Ministry. Equally the report points out that Huduma Centres in Western Kenya had long queues and delays at some desks and lack of clarity of procedures for accessing relevant

services and inadequate personnel as some of the challenges facing Huduma Centres. (Republic of Kenya, 2018). This is why this study has focused itself on Huduma Centres

1.3 Service Delivery

Davis (2014) defines service delivery as an arrangement of periodical performance of supplying public needs. Martin (2005) says that service delivery is a structured approach of realizing sustainable service delivery within an organization. It only takes place in an organized manner. The service delivery must be dependable and with the desired quality.

Nimako and Azumah (2009) defined services as those economic activities that are given by a group to another while using time-based performances so as to realize the expected outcomes in the recipients or consumers of the services

Wanyoike (2015) on the other side maintains that service delivery to the citizen is a deliberate decision by the official of Government to serve or deliver goods and services to the people. Performance of Government is rated by the service offered to its citizen. He points out that there are four ways of delivery of services. The first one, is direct service delivery where there is one on one contact where the service or product is paid for on the spot. It's a transaction between the user and the Government representative. The second way is indirect service which is based on the rules and regulations that governs how kept information record, enhances service delivery. The third way is that of service delivery to an individual which is a service that affects an individual with a unique character from the other public. The last way is that of collective service delivery which is given out to the group or community.

World Bank (2008) points out that a better service delivery is characterized by having a better complaint handling mechanism that enhances the overall effectiveness in service

delivery. Service delivery is at its highest if there are great reduction in customer complaints and an upsurge in service delivery consumption. Simon, Novicki and Casedesus(2015) looked at the organizations complaints handling process through ISO standards 10002 and observed that service delivery is realized when the complaints have been reduced and turned into customer satisfaction. On the other hand, Simon (2015), pointed out that for complaint handling mechanism to be effective, a new culture through training should be carried out among all staff. (Eigemaa ,2007;Abe, and Monisola, 2014), avers that service delivery is essential function between government and its citizens and that performance is seen to be satisfying if there is consistency of the service and with little bureaucracies while enhancing collection of revenue for the Government. Good service delivery provides clients with an increase in value thereby increasing the number of customers served

Mercy (2013) pointed out that e-government had indeed reduced customer crowding in the offices and they were satisfied with services received. SERVQUAL model was developed by Parasuraman and Zethml (1993) was used to determine the measure of customers perceptions of service quality. It assumes that customers can evaluate the firms service by comparing their perceptions of the service and their own expectation. This model has five dimensions: reliability, assurance, tangibility, empathy and responsiveness. They maintained that service delivery requires focused type of leadership with commitment to performance.

MMC (2007) pointed out that Malaysia leveraged on technology to provide services through multiple electronic channels which in turn increased the number of customers serviced, reliability of the services, transparency and security. PWC (2007) pointed out a number of indicators for service delivery. The speed with which the service is offered so that many customers are served and reduces overcrowding. Engagement is the manner in which the

service which is given is in the form and quality desired by customers. The value is the belief in the customer that the service is cost effective and of the standard wanted. Choice on the other hand is where there are multiple channels of service delivery for it helps to reduce the number of customer complaints and increases the number of customers served

Republic of Kenya (2008) the Ministry of Immigration and Registration of Persons under performance contracting, automated issuance of passports and identity cards in order to deliver to the public through improvement in quality service, accessibility, timeliness, affordability which resulted in increased number of customers served. Further, Chepkorir (2012) maintains that services offered to the citizens must satisfy them by being of good quality. The service quality elements include: efficiency, prompt handling of customer complaints and responsiveness of the service to customer demands

1.4 The Statement of the Problem

The Government of Kenya experiences pressures from its citizens to up delivery of services, reduce costs, be more accountable, be responsive to individual's needs, and be customer-centric. Effectiveness of performance in the public service in Kenya has emerged as a big challenge owing to the strained government's budgets. A report by the Presidential taskforce on state corporations in Kenya pointed out that Government institutions are not doing well owing to the facts that they faced inadequate planning, poor management of performance, wastage of resources and inconsideration of public needs and poor service delivery. Equally surveys carried out on Kenyan service delivery shows that the respondents had very negative experiences and comments about service delivery in state corporations. In fact, 45% of the respondents had complaints in relation to efficient service delivery and customer care. This then calls for improvements. To correct the situation the government undertook a raft of measures like, voluntary early retirement, freezing of employment, privatization, structural

adjustment programme and retrenchment. All these attempts have did not improve service delivery and performance contracting is pursued as an option under the Huduma Centres. However, Huduma Centres serves 30,000 customers daily against a target of 60,000 customers daily set by the parent Ministry. On revenue, the Centres collect Kshs 12 billion annually against a target of Kshs 30 billion annually. Huduma Centres in western Kenya are experiencing long queues and lack of clarity of procedures for accessing relevant information as per the Ministerial reports. Studies around service delivery have not focused on these centres. From the literature, previous studies on the relationship between performance contracting and service delivery, have returned a verdict of mixed results an indication that performance contracting has both positive and negative influence on service delivery. Mixed results points out to the fact that there is a moderator or moderators yet to be tested. Equally the studies reviewed were case studies. The study therefore sought to run surveys on the relationship between performance contracting and service delivery in Huduma centres. Equally the study seeks to identifying the moderators. Further, the reviewed studies reveal direct influence of resource factors and personal factors on service delivery. However, there are no studies that have tested them individually or jointly as moderators on the bond linking performance contracting with service delivery, this is the problem that this study sought to unravel.

1.5 The Objectives of the Study

The general objective was to find out the moderating effect of implementation factors on the relationship between performance contracting and service delivery of employees at Huduma Centres in Western Kenya

The specific objectives that guided the study include:

- i. To determine the relationship between performance contracting and service delivery among Huduma Centres in Kenya

- ii. To establish the moderating influence of resource factors on the relationship between performance contracting and public service delivery among Huduma Centres in Kenya
- iii. To determine the moderating influence of personal factors on the relationship between performance contracting and service delivery among Huduma Centres in Kenya

1.6 The Research Hypothesis

The study utilized the following hypotheses in helping to provide the insight into area of study:

H01: There is no significant relationship between performance contracting and service delivery among Huduma Centres in Kenya

H02: There is no significant moderating influence of resource factors on the relationship between performance contracting and service delivery among Huduma Centres in Kenya

H03: There is no significant moderating influence of personal factors on the relationship between performance contracting and service delivery among Huduma Centres in Kenya

1.7 The Scope of the Research

This was an Ex post facto research that sought to identify the various dimensions on performance contracting and facets of performance contract implementation on service delivery. To be able to fully bring forth issues, the study focused on public servants at Huduma centres in Western Kenya: Kisumu, Kisii, Kakamega, Eldoret and Nakuru Centres respectively. These are Centres that were among the first to be opened and have been in existence for now eight years. The study largely affirmed the relationship between performance contracting and service delivery and the moderating effect of personal factors

and resource factors on the linkage between performance contracting and the delivery services in Kenya

1.8 The Significance of the Study

1.8.1 The Government and Policy Makers

In order to ensure the timely execution of the public sector reform programmes, the government designed and launched the strategy for performance improvement within the public service in 2001. The strategy was meant to improve service delivery through increase in productivity and (Kobia and Mohammed, 2008). The study brings out advantages to the Government and policy makers. The Government will benefit from the study because the recommendations on policy changes will make the performance contracting more appealing and help in realizing the intended mandate. It is expected that the findings of this study will be used by the government and the policy makers in particular to establish if the objectives of introducing performance contracting have been achieved. This will also guide future policy and look for ways in which they can enhance the achievement of the objectives and restore consumer confidence of services provided by the public Institutions. The Public institutions will be brought to speed on challenges that affect the implementation of the performance contracts and the remedies to adopt

1.8.2 Research and Education

The findings of the study will also form a basis for further research for researchers and also contribute knowledge for education in the area of performance contracting and service delivery. It will also arouse more debate on performance contract and finally the citizen of Kenya will be made aware of what they should do to hold their Government to provide them with quality service and efficiently by ensuring that top-level managers are held accountable for their results.

1.8.3 Practice Management

The study will also have practical implication for managers for instance it will help improve attainment of quality service delivery by putting in place the required resources when required. The study might equally help in putting up a culture that is performance oriented in the public service for the benefit of the citizens in the country. The study results may also be useful to organizations that have similar characteristics to Huduma centres in terms of what to put in place and ensure that performance contract is indeed utilized to achieve quality service delivery

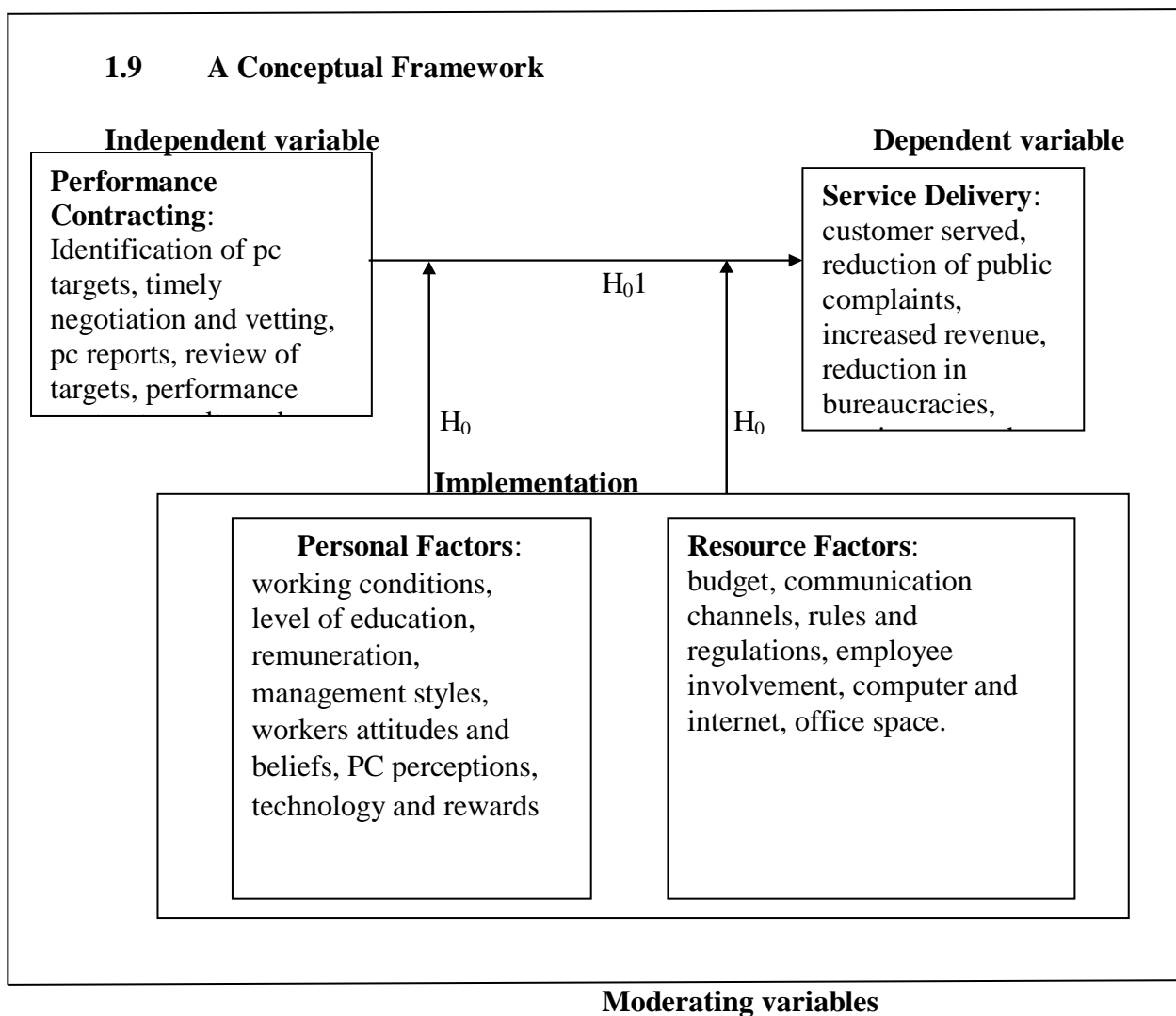


Figure 1.1 Moderating effect of implementation factors on the relationship between Performance Contracting and service delivery.
Source: Adapted from Moy (2005)

Figure 1.1 above shows the four variables under study as explained below:

1.9.1 Resource Factors

The budget that the institution has put in place for the purpose of performance contracting affects its implementation. Bigger budgets or enough allocation of financial resources will make it easy for full implementation where the members can do all activities in the contract and increase service delivery. If the budgets are small, it becomes not very easy to carry out all activities thereby causing its failure

The laws and policies of institution hamper the performance contract implementations. This is where for instance the policies do not allow for creativity so that workers must regularly be told what to do every time. In the absence of the supervisor nothing takes place. This reduces the speed with which the contracting activities are executed because the workers must constantly seek audience with their supervisors and this do not enhance service delivery. Policies are important for they help to realize the workers responsibilities and sets out the attitudes for achieving them. A good policy should be written, easy to understand and should be comprehensive for the whole performance contracting function. The policies should be shared to all departments and they should be in harmony with overall objectives. The policies the Government is pursuing might not contribute to the success of the performance contracts for instance where the resources are strictly centralized and there is a red tape in their disbursement. This will starve of the required resources the performance contracts implementing agencies and lowers on service delivery. If the Government pursues policies of regularly changing or transferring of managers, then some managers who were in charge of the performance contracts in some departments once they are transferred, those departments end up lacking continuity and sometimes those who replaces them do not have sufficient knowledge of the performance contracting which finally contributes to its failure and that equally affects service delivery. The government policies will also include the manner in which the performance contracts are introduced. If the introduction is centered on the senior

managers while leaving out the ordinary workers then they will not fully support the process because they will view it as belonging to the managers. The workers form the bulk of the implementers so that if they don't support the process, it grounds to a halt, fail and service delivery is affected

Equally employee involvement in setting of the targets boosts their performance due to ownership of the process but where they are not involved then, the don't care attitude sets in and lowers implementation expectation and this not good for service delivery. If Computers and internet is availability it enhances performance and allows for sharing of information which ultimately hastens realization of performance contracting and improves on service delivery given out to the citizens

Open channels of communication make it possible for workers to seek for clarifications on areas of difficult from senior managers and workers in other departments thus helping to realize their objectives. Adequate office space is also key for the success of performance contracting and service delivery.

1.9.2 Personal Factors

The employees working conditions greatly affects the implementation of the contracts for instance those whose working conditions are not good will not give their full commitment to the organization and will always find excuses to be a way. This type of behavior affects the implementation of the contracts by denying it of the required personnel some of whom could be those who are to steer the exercise and report any challenges witnessed and as such service delivery will not be enhanced.

The level of education and training is critical to the implementation of signed contracts. This is so because the level of understanding of the contracts and why they are being implemented is central to the implementation processes. Most of the contract requirements require intellectual understanding of the performance contracts processes. If those who are involved in the implementation are not well educated or literate, that will have a bearing on the implementation. This might be in the form of total negligence of the contract's requirements. It is on this basis that the level of education among workers is viewed as critical to success of the contracts and quality of services delivered.

The management style that is used greatly affects the implementation of performance contracts for instance if the managers use dictatorial style, workers end up fearing to seek clarifications with their managers for fear of reprisals and even on issues that requires cross-checking with their supervisors, they end up not seeking clarifications. This type of behavior makes the contracts to fail purely due to lack of collaboration and ultimately the services offered out are compromised. On the other hand, an inhumane leadership style will also cause a communication gap where the workers will not regularly relay crucial information required for decision making and will also make them develop negative attitudes about performance contracting hence hampering its realization. Worker's skills and experiences are very vital in performance contracting for their actions are hinged on what they know and have been doing over the years so that challenges are easily sorted out unlike where they have no skills and experiences which lowers if not stops their performance affects service delivery. Where workers expect rewards or punishment for their good or below performance, they tend to devote all their time and keenness to details and deliver on performance targets and services expected. Equally their knowledge in technology use enhances their performance and liking of their tasks and responsibilities

1.9.3 Performance Contracting

Sometimes the performance contracts fail due to very limited time given for implementation for example not enough time is given for training of the workers on essence of the contracts and the specific requirements and particular time lines that must be observed including the agencies that must be given particular reports on either quarterly or monthly basis. This also includes the knowledge on where to seek assistance on any technical issues that arises during the course of implementation. This affects service delivery. The right targets based on the organizational strengths must be put in place if service delivery is to be realized. This helps to shape and show the direction and the effort required during the performance contract cycle. Target setting must be carried out by right individuals and in a participatory manner and the targets set should be those that will be challenging and higher targets than those of the previous period. Sometimes due to the changes in the environment, even what had been agreed upon might not be implementable in the prevailing conditions hence require review of performance targets to ensure that services can be provided. This goes hand in hand with very clear contract guidelines so that the direction is known from the onset.

The timely negotiation is paramount for it enables workers to start actualizing the plan. Negotiation of the targets helps to clear out issues or targets left out and which are mandatory. This exercise is such an important event for it helps to build confidence and consensus among the parties involved and ultimately boost realization of quality services. Vetting is cardinal in performance contracting in order to enhance service delivery because the workers would have known what is expected of them and specific guidelines that must be observed for success. During vetting, the assessment of whether the performance criteria is in line with specific targets in the cycle so as to improve on the quality of services rendered. It's also during this period of draft vetting that there is confirmation whether the targets and performance

indicators are clear to help deliver on the promises in terms of the quality of services desired

Performance evaluation is important for it where the submission of performance contracting reports helps to note if performance was on the right track or not so that in an event of falling short of the expectation, then a corrective action can be put into place so that service delivery is realized in the next cycle. After the implementation, its only good to evaluate results of performance of various workers and rank them for rewards or punishment to be able to deter those lazy workers and motivate the hardworking ones and guarantee the citizens of better service delivery in the subsequent cycle.

1.9.4 Service Delivery

The citizens of any country are interested in better service delivery from their governments. Therefore, a department will boost of better service delivery if there are a reduction in the number of complaints on the services provided, an increase in the number of customers served an indication of satisfaction and trust in the provided services, if the revenue collections has increased commensurate with increased services provided, there is a reduction in bureaucracies in the operations and the citizens realize consistency of service and workers are accountable to their actions

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter provides review of both theoretical and empirical literature in relation to the analysis of the effect of performance contracting and implementation factors on public services delivery of Kenya. The chapter concludes by providing a summary of literature gaps.

2.2 Theoretical Literature Review

The current study was embedded on two theoretical frameworks namely; Vroom's expectancy theory proposed by Vroom and goal setting theory.

2.2.1 Vroom's Expectancy Theory

The first theory which informed the current study was the expectancy theory. The theory was proposed by Vroom in 1964, and focuses on individual's behaviour in the realm of subjectivity and objectivity of reality. The theory therefore posits that behaviour is more of a function of subjective reality as opposed to objective reality. The basic tenet advanced by the theory is that, an individual's behaviour revolves around efforts undertaken, performance achieved and rewards accrued. On the basis of the theory, personal perception of prevailing situations often informs the behaviour individuals elicit towards the situation. Key among these factors is delineated as expectancy which relates to individual's perception of realization of desired outcomes. The perceived expectancy is then at the center of efforts that individuals expend towards improved performance. This is important to performance contracting and implementation which has specific activities that should be realized within a particular financial period. If the manager will educate workers know the value of their effort, then performance contracts will always be achieved.

The other factor is Instrumentality. This is the level to which the individual looks forward to a reward for excellent performance. Instrumentality is the belief that rewards are attracted by good performance. This is very important because managers should tie good performance to reward during performance contract negotiations with workers for it helps to secure their loyalty and effort into the programme towards success. The third factor is Valence which is the level of belief that attractive rewards are indeed available for taking.

Performance contracting is about targets which can majorly be realized if the workers have the right perceptions about the value of their efforts and the availability of rewards for their efforts. The theory maintains that the tendency or urge to act in a particular manner is informed by the expected outcomes. Robbin and Judge (2007) argue that positive or negative behaviour are products of perceptions of satisfaction with outcomes. Ducharme (2005) says that workers will apply their effort on tasks that they believe are achievable and worth their effort and rewards.

The choice of this theory to underpin the study was on the premise that achievement of set targets is motivational enough to stimulate individual's realization of performance contracts. Besides, under the notion of expectancy, the allure of rewards in the form of promotions, salary increase and others is bound to see increased efforts among individual's yearning to achieve set targets. Vroom's model as displayed in figure 2.1 postulates that efforts through its components namely; expectancy, instrumentality and valence influences performance in terms of role perception and individual characteristics, which in turn leads to both extrinsic and intrinsic rewards, and overall improvement in the performance of the organization (Cole, 1996).

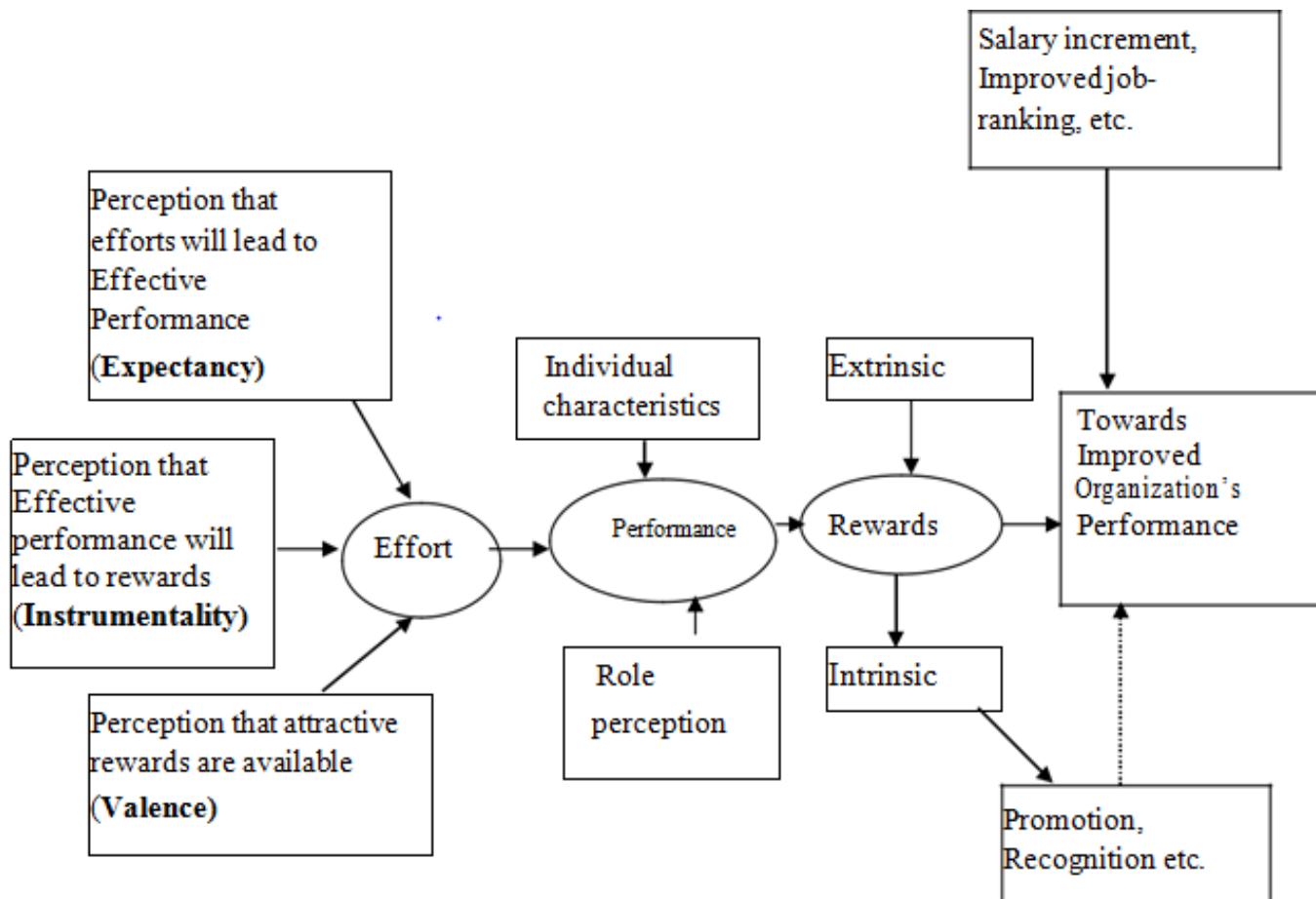


Figure 2.1: Expectancy Theory , Source: Cole (1996: 41)

The Expectancy Theory holds the view that individual motivation affects his/her performance. The theory also dwells on the rewards, as the prime motivation to the perception of the individual to give his/her effort in order to realize excellent performance. Whether it's intrinsic or extrinsic, rewards may have some effects on the overall institutional performance. The expectancy theory is so much applicable and relevant to the study area. Performance contracting aims at ensuring that employees or workers are satisfied with providing services to their clients while citizens receive quality services as well. The performance-outcome raises expectation among the worker on the nature of remuneration to anticipate (Sloof & Praag, 2015). The theory holds the view that high expectation in rewards by a worker will result into a higher performance (Robbins and Judge, 2007).

This theory is applicable to performance contracting particularly if the rewards or praises are expected at the end of good work or results having been achieved. The theory therefore expects managers to tell workers clearly the performance they desire to be rewarded. For the performance contracting to be achieved, there must be agreement between the managers and their employees (Robbins and Judges, 2007) Therefore, the application of the theory was perceived critical to the needs of the study area. Effort manifested through performance of workers is triggered by the real and perceived rewards, all of which contribute to the overall performance of the public sector workers.

2.2.2 Goal Setting Theory

The second theory that underpinned the current study is the goal setting theory proposed by Edwin Locke in 1960. The theory holds the view that motivation and performance are intertwined and are rated depending on specific goals which individuals set. Moreover, prompt feedback on individual performance reinforces such rating (Armstrong, 2005). Locke (2005) argues that the specificity and nature of goals set determines the performance

rating. In retrospect, difficult goals are associated with high performance among workers than the easy goals. The theory maintains that human actions are purposeful in that they are directed by the conscious goals setting to help realize a desired performance. A goal should entail a structure that directs the activities and behaviour which leads to improved performance. It also reiterates that setting a goal is important for it will direct one's behavior in order to achieve the set goals. Difficult goals demand a lot of energy by the workers to work harder to attain them. The theory holds the view that workers will put in more efforts towards accomplishing their goals and improve on their performance and productivity.

Saleemi (2006) contends that the goal setting theory emphasizes the need for workers and management to negotiate targets to be achieved prior to undertaking tasks. Armstrong (2005) avers that when workers are involved in setting goals, they often find it easy setting higher goals. Choice of the goal setting theory to inform the current study was therefore informed by the performance contracting process which requires that individuals tasked with the responsibility of leading sections should identify performance targets, which should then be negotiated with senior managers and government representatives, before being negotiated with individual employees.

The theory holds the view that several conditions must be met for successful goal setting and achievement. They include: Clarity, clear measurable target is more achievable than the one that is poorly designed. They must have timelines. Challenge, the expected goal must have some extent of difficult so as to make a worker to strive to achieve it. Commitment is a purposeful attempt to put in place what is required to help meet the goal. It must involve sharing the goal with someone else to create accountability to realize it. Feedback, a method must be put in place to receive information on the progress and the challenges faced.

Task complexity, a complex task requires enough time to overcome the learning curves in completing the task successfully (Locke and Latham, 2002). Goal setting theory is very adequate to the application of performance contracting and will therefore guide this study because once performance contract targets are set, it becomes easy for the workers to direct all their energies into realizing them.

Performance relates to the outcome of investment or activities undertaken over time. Performance contracting is therefore a strategic management approach to oversee expected performance. Such a contract seeks to bind two or more parties who agree to work in tandem to realize the set targets in the specified period. It is a component of performance management which takes charge of information systems required by managers in task performance, as well as overseeing development of an organizational culture that takes cognizance of desired behavioural patterns among workers (CAPAM,2005).

In the Kenyan context, a performance contract is a tool designed to measure and monitor achievement of performance targets which were negotiated (Republic of Kenya, 2006). It is systematic in its highlighting and defining of expected tasks. This enables a systematic and purposeful execution of tasks which enhances the chance of achieving the set targets. The systematic design is clear on concepts to be pursued, approaches to be employed, tasks to be performed and how to maximize them for achievement of set targets, and mechanisms for developing lessons learnt (Akaranga, 2008). The essence of the introduction of PCs as they are commonly called was the desire to oversee overall improvement in delivery of services offered to citizens through prudent utilization of resources, putting in place a culture that is citizen centric and performance oriented, rewarding and sanctioning performance, efficient

measurement and evaluation of performance, being accountable for results achieved at all levels of performance, enhanced performance, and elimination of the behaviour of over reliance on the exchequer for funding among public entities (Akaranga,2008).

Expectancy theory is the one that guided this study. This theory is appropriate because it links performance contracting to rewards or praises expected at the end of good work or results having been achieved. The theory provides an opportunity for managers to tell workers clearly the performance they desire to reward which ultimately makes them work hard to receive rewards and praises and in turn realizes the targets set out in performance contracting. The expectation of the rewards makes the workers to be highly committed and loyal to the objectives of performance contracting. Performance contracting entails specific target that are to be realized during a financial period. These targets are given to the workers to achieve them, and when managers promise rewards for achieving them, the workers will strive to receive the rewards thereby facilitating implementation of performance contracting. The theory is relevant for this study because it indicates the connection between behaviour, performance and service delivery. It holds the view the view that when behaviour is directed towards work, good performance will be realized and service delivery. When performance is linked to rewards for individuals and institutions, it helps to improve service delivery

2.3 Implementation of Performance Contracting in Kenya

The concept of performance Contracting was first introduced towards the management of state corporations in Kenya in 1989 (Kobia & Mohammed, 2006). A Parastatal Reform Strategy Paper, which was earnestly approved by cabinet in 1991, was the first official recognition of the concept of a performance contracting. The first two parastatal to be on Performance Contracting were Kenya Railways Corporation and the National Cereals and

Produce Board. Kenya Railways signed a performance contracting in April 1989 and National Cereals and produce Board signed theirs in November 1990. The performance contracting of Kenya Railways Corporation and the National Cereals and Produce Board eventually failed due to lack of Political goodwill to drive this noble process and as such there was nothing to show of the implementation. It was perceived as donor-driven process and as such it received less enthusiasm. The performance contracting did not conform to the requirements of the three subsystems of a performance contracting as they lacked the performance incentive system in place, there was no provision for the impact of external factors such as changes in Government of Kenya policy, rates of inflation, exchange rate fluctuations that would have made evaluation fair (Kobia & Mohammed, 2006). The challenge which faced the implementation of a performance contracting in the two corporations must have been surmounted, this is because the literature of performance contracting points out that a performance contracting has been effectively implemented in the Kenyan public sector.

Performance contracting was re-introduced in Kenya in 2003 alongside result based management (Economic Recovery Strategy for Wealth and Employment Creation, 2003). Soon after launching the Economic Recovery Strategy for Wealth and Employment Creation in 2004, in the same year the Government introduced Results Based Management in the Public Service as a deliberate policy in order to improve performance, service delivery and governance (Republic of Kenya, 2004). Result Based Management was a participatory and team-based management approach designed to achieve defined results by improving on planning, programming, management efficiency, effectiveness, accountability and transparency (Canadian International Development Agency (CIDA, 2000). As part of Result Based Management planning involves performance target setting where strategic

plans are broken down to yearly performance plans which are then contracted between the government and state-owned enterprise. This performance targets are further broken from organizational to individual performance targets which form the basis for employee performance appraisal at the end of the contracting period.

The year 2003 for Performance Contracting in Kenya was Blueprint containing policy direction on introduction of Performance Contracts issued as part of Economic Recovery Strategy for Wealth and Employment Creation (2003-2005), the same year saw the establishment of Performance Contracting Steering Committee. In 2004 performance contracting was piloted in 16 government State Owned Enterprises after which, in 2005 massive training was conducted on performance contracting and signing of performance contracts by all ministries in 2005 was effected (Trivedi, 2007). The shift to results orientation and Performance Contracting entailed a transformation of current procedures and practices to achievement of results as a focus, this orientation has led to measurement of performance in terms of results.

It should be noted that the enthusiasm expressed by the Kenyan government in implementing public reforms through performance contracts as documented by (Obong'o, 2009; Kobia & Mohammed, 2006; Trivedi, 2007) among others, is very high, however to justify the continued expenditure of public funds on performance contracts every year needs a documented research on the effectiveness of the strategy. Performance Contract being a form of result-based management (RBM), Bouckaert, et al., (2014) noted that in order to improve the value of performance contracting, certain critical considerations need to be made. These include the need for a good definition of outputs and performance measures. In addition, the use of performance contracting needs to be supported by other good

management practices. The key elements underpinning result-based management as identified by Obong'o (2009) and are the elements of Performance contracting are: Performance target setting, performance planning, performance accountability, and operational autonomy and performance evaluation.

2.4 The Concept of Performance Contracting as a Tool of Management

Performance contracting as a concept evolved from the need to maximize performance among public entities. CAPAM (2005) points out that a performance contract strategically seeks to commit two or more parties towards a performance obligation through some binding agreement. In this way, a system is designed whereby relevant information required in the process of performance is easily accessible to both parties.

Akaranga (2008) opines that in seeking to measure performance, a performance contract outlines performance criteria and indices which individuals should use in going about assigned tasks aimed at desired targets. The argument made here is that a concisely outlined structure enables the vetting and evaluation of performance in line with desired outcomes. Moreover, citizens are able to gauge whether their resources are being utilized efficiently. Such institutionalization of citizen-centric culture is bound to improve service delivery.

Performance contracting has its origin in the late 1960's in countries like France, Korea, Pakistan and India (OECD, 2005). Prior to this period, strategic planning was a preserve of 19th century managers whose principal role was to stabilize the rather predictable business environment. The emerging modernization of management practices was meanwhile rendering the industrial age irrelevant. Strategic planning had therefore to undergo changes that would see managers take responsibility of overseeing implementation of organizational

strategies (Barclays Africa, 1997). This practice of empowering managers was however unsuccessful owing to the fact that their participation in the formulation stages was ignored. Moreover, Aosa (2000) contends that increased environmental turbulence experienced in the early 1970s and more so in 1973 necessitated a review of approaches used by top executives to manage businesses if they were to remain competitive. Performance management therefore emerged as a tool that could be employed proactively to achieve desired business goals, and set objectives. The tool provided for a structured approach to measuring, motivating and rewarding both individual and team performance within organizations.

Wide spread adoption of performance contracting particularly in developing countries was based on the need to reform the public sector towards operational effectiveness (Obong'o, 2009). In this way, individuals were given opportunities to excel on what they knew best, required outcomes were explicitly defined, and appropriate benchmarks for measuring performance were developed. According to Obong'o (2009), adoption of performance contracting was aimed at focusing performance related endeavors in a way that managers were able to understand the problem at hand and clearly understand its symptoms. This focus helped to outline the many broad challenges that traditional governance structures had to face. Among these challenges included; accumulation in public debt occasioning a lot of pressure; high demand for a public sector that was flexible, adaptive and more importantly more efficient, and fiscal deficits in governments (OECD, 2005). Governments had no option but to reform their approaches to better methodologies that they could adopt to optimize resources and still maximize performance. The question on whether the challenges mentioned by OECD have effectively been addressed in Kenyan public enterprises however still required to be answered, which necessitated the current study.

Reforms in the public sector were being undertaken globally particularly in developing

nations like Kenya. The clamour has been to find better ways through which the sector can respond to citizen's needs. Kobia and Mohammed (2008) argue that implementation and institutionalization of reforms in the public service is the panacea to ethical and effective citizen centric service delivery. Improvement of type and nature of services rendered has therefore been at the center of reforms undertaken in the sector by the government. Implementation of these reforms has however met successes and challenges in equal measure (Kobia & Mohammed, 2008). It is posited that there has been reluctance among those responsible to implement newer concepts and interventions. Performance contracting is one of such recent interventions, which were introduced in Government ministries and state corporations, including public universities (Kobia & Mohammed, 2008).

The arrangement of public service affairs and the reason for the desire for service delivery are changing rapidly as a result of technological, institutional and social innovations. The changes have given reasons for the new forms of interaction and socio-economic composition, such as production networks, collaborative production, and new governance models that are now being embraced. Service transformation is greatly changing the value chain in private service industries and ought to also take the same trajectory in the public sector (Zysman, 2006; 2007). Performance management is a concept that has gained momentum the world over as a result of pressures from the citizen to their governments in the forms of hostility, shrinking budgets and the effects of globalization. Most scholars view new public management as referring to a situation where governments do away with their lines of management by introducing performance-based accountability; contracting out, decentralization, performance contracts, privatization and subsidiary (Aucoin, 2006; Palidano, 2009). Countries desperately introduced the above measures because they were under pressure from citizens to deliver quality service cheaply and timely. The performance

management paradigm has essentially offered hope for a more efficient and bullish delivery of services that is not only lean and competitive but is also fast moving, outcome-oriented, and user-responsive.

In the management paradigm shift, organizations are advised to develop internal structures that look towards decentralization of operational authority which, should be vested in front line managers. Moreover, organizations are expected to have a lean staff through outsourcing expertise. Ultimately, the outsourcing brings on board experts who have acumen to offer specialized services to the organization. Trivedi (2007) however points out that performance contracts are only effective when first things are done first. For instance, Trivedi argues that, the requisite resources must have a stable supply and should be available. Moreover, the top leadership ought to be proactive in requisitioning required resources in a timely manner. In fact, Kobia and Mohammed (2006) established that 62.1 per cent of the respondents indicated they lacked adequate resources that are needed to meet their targets which largely affected the individual and ministry performance. The success of the concept of performance contracting is therefore dependent on understanding the process used in strategic planning, the staffs capacity to develop the tools and the capacity to monitor implementation. The management should also be on hand to support and scaffold the staff to be able to embrace the concept and perform at their zones of proximal development.

The UK Aid (2011) avers that the concern in dwindling fortunes in the performance of the public sector, which in most countries is not able to meet citizen's expectations, was the critical reason that the design of performance contracting was mooted. The principal focus then was that through performance contracts, the sector could be re-energized to manage

public affairs effectively and efficiently. The design was further simplified by the fact that government agencies shared common problems in their endeavours to serve the public. Among these problems included poor management and outright mismanagement; political cronyism, and excessive controls. Performance contracting was as a result perceived to be the ideal tool through which these problems could be addressed (UK Aid, 2011).

Kenyan public service has not performed well in the rankings worldwide and this in essence is attributed to various problems such as, outright mismanagement, brain drain, lack of facilities and poor management among others. Adoption of performance contracting was therefore tailored towards creation of a culture that could be performance oriented. The hope was that such a culture would sieve through employees and occasion attainment of set goals. The emphasis in performance contracting used in the Kenyan context is efficiency and accountability to outcomes. Consequently, the PC is designed in a way that top level managers hold those below them to account of their results. The performance contracting model used in the Kenya civil service is similar to that implemented across many countries including New Zealand, Malaysia, Canada, USA, and United Kingdom (Republic of Kenya, 2005). In the local context, the performance contract is a tool with articulate instruments that highlights and defines set targets and partner responsibilities, which each contract party is expected to demonstrate. Moreover, it outlines and defines objectives, approaches to performance measurement and evaluation, efforts that should support innovativeness, and operational autonomy that managers in the public service should enjoy.

The Kenyan Government takes cognizance of the fact that performance in the public sector

has for a long time been poor. This is particularly so when it comes to managing and utilizing resources, which remains the biggest challenge to sustainable economic growth (Republic of Kenya, 2005). Performance of Kenya's public sector has been poor largely because of factors such as; interference by the political class; poor management, bloated staff, outright mismanagement and excessive regulation and control among others (Republic of Kenya, 2005). For this reason, the Government continues to consistently undertake reforms aimed at improving delivery of services to the citizens. Nevertheless, previous measures undertaken have not achieved the desired change in the behaviour of efficient delivery of service, and accountability to resource utilization. For instance, it is argued that some of the prior initiatives have lacked a clear structure that highlights the system of evaluating performance, the systems to manage information, and incentive system for rewarding performance (Republic of Kenya, 2005; Akaranga, 2008).

2.5 The Objectives of Introducing Performance Contracts in Kenya

The Government of Kenya frantically embraced the performance contracts to realize the following reasons:

- a) Improve service delivery to the public by ensuring that top-level managers are accountable for results
- b) Reversing the decline in efficiency and ensuring that resources are focused on attainment of Key national policy priorities of the government (Parachuted projects)
- c) Institutionalizing performance-oriented culture in the public Service through introduction of an objective performance appraisal system
- d) Measure and Evaluate Performance
- e) Linking reward to measurable performance
- f) Facilitate the attainment of desired results

- g) Instill accountability for results at the highest level in the government
- h) Ensure that the culture of accountability pervades all levels of the government machinery.
- i) Strengthen and clarify the obligation required of the government and its employees in order to achieve agreed target (Republic of Kenya, 2005)

2.6 Performance Contracting Management Processes

Sean (2009) points out that performance contracting should be much more than a process for documenting and delivering feedback, coaching and ratings. He believes that when expanded beyond these basics, performance contract becomes a powerful tool for helping employees develop and achieve their full potential. Processes should be fairly standard and be able to address agency objectives. The amount of detail provided depends on the level of guidance required to support the needs of business units. Performance management process typically involves four main stages namely work plan management, skills development, performance monitoring and evaluation, and rewarding of outstanding performance. In terms of work plan management, it is based upon business plans and other corporate documents, key deliverables and areas of responsibility to which staff members will contribute are determined. A staff member and manager agree on the work and responsibilities of the staff member's position. The plan will also set out how the staff members' performance will be measured or evaluated against set objectives (Akaranga, 2008).

On the other hand, in terms of skills development, the staff member and the manager identify and agree the learning, development and information needs of the staff member to meet their performance and the business needs of the business unit. This would include

selecting options and the development of an action plan to access the opportunities identified (Armstrong, 2012). Similarly, under performance monitoring, the staff member provides regular feedback to the manager on their progress towards the achievements of the agreed performance objectives. The manager provides regular formal and informal feedback on their assessment of the staff member's achievements

Armstrong and Baron (2004), argue that the manager and the staff member should regularly (periodically) evaluate the staff member's performance and the achievement of the objectives in the work plan as well as the agreed training and development plan. This phase should then feed into the next cycle of the performance management process. Lastly, with regard to rewarding outstanding performance, there is need to reward outstanding work which is recognized from the evaluation reports. The top performers need to be rewarded in various ways ranging from recognition to award of medals and other material endowments (Armstrong, 2006).

However, according to Moy (2005) the performance-based contract process in federal government in Washington D.C. relates heavily to the federal guidelines established by the Office of Federal Procurement Policy. Despite differences in the federal and state perspectives, Moy comes up with Seven Steps to Performance Based Service Acquisition which he speculates that provide an overview of the contracting process. Firstly, there is an integrated solutions team whose main task is to ensure that senior management involvement and support is in place. The team defines roles and responsibilities, empowers team members and identifies stakeholders, nurture consensus, develop and maintain the knowledge base over the project life, and establish a link between program mission and team members' performance. Secondly, the problem that needs to be solved is described.

This links acquisition to mission and performance objectives, defines desired results at a high level, decides what constitutes success, and determines the current level of performance. Thirdly, examines the private sector and public sector solutions. This includes taking a team approach to market research, spending time learning from public sector counterparts, considering one- on-one meetings with industry and documenting market research. Fourthly, develop a performance work statement or statement of objectives, which involves conducting an analysis of work to be performed, capturing the results of the analysis in a matrix, writing the performance work statement, and allowing the contractor solve the problem, including the labor mix.

The fifth step deals with how to measure and manage performance. This involves a review of the success determinants (i.e., Where do you want to go and how will you know when you get there), relying on commercial quality standards, if applicable. Ensure that the contractor proposes the metrics and the quality assurance plan, select only a few meaningful measures on which to judge success, including contractual language for negotiated changes to the metrics and measures, consider “award term”(i.e., ties the length of contract to the performance), consider other incentive tools, recognize the power of profit as motivator, and most importantly, consider the relationship. The sixth step is selection of the right contractor who should be advised of the best practices and trends in performance-based contracting. Lastly, it deals with managing performance by keeping the team together, adjusting roles and responsibilities, assigning accountability for managing contract performance, adding the contractor to the team at a formal kick-off meeting, regularly reviewing performance in a contract performance improvement working group, and reporting on the contractor’s past performance.

On the other hand, Schwella (1988) speculates that performance contracting processes tend

to be fairly standard. Processes should address agency objectives. The amount of detail provided depends on the level of guidance required to support the needs of business units. Performance contracting process typically involves four main stages namely work plan management, skills development, performance monitoring and evaluation, and rewarding of outstanding performance. In terms of work plan management, he argues that this is to be based upon business strategic plans and other related corporate documents. A staff member and manager agree on the key responsibilities and targets to be achieved during the period under review. The plan also sets out how the staff members' performance will be measured or evaluated against the set objectives. The performance aspect of the plan obtains agreement on what has to be done to achieve objectives, raise standards and improve performance. In terms of skills development, the staff member and the manager identify and agree on the training requirement, development and information needs of the staff member to meet their performance which on a large extend will meet the business needs. This includes selecting options and the development of an action plan to access the opportunities identified (Armstrong, 2006). Similarly, under performance monitoring, the staff member provides regular feedback to the manager on their progress towards the achievements of the agreed performance objectives. The manager provides regular formal and informal feedback on their assessment of the staff member's achievements.

Within the context of performance evaluation, Armstrong and Baron (2004) speculate that the staff member's performance and the achievement of the objectives in the work plan needs to be evaluated periodically. Lastly, with regard to rewarding outstanding performance, there is need to reward outstanding work which is recognized from the evaluation reports. The top performers are to be rewarded in various ways ranging from recognition to award of medals and other material endowments (Armstrong & Baron, 2004;

Armstrong, 2006).

2.7 Performance Contracting and Implementation

Performance contracting is specific on the obligation of the contractor or individual who enters into the contract by appending his/her signature in a particular period of time. It clearly outlines the expected outcomes in terms of the task that the contracted individual has to perform following the clearly laid down directions and, the best approach to be employed in order to achieve the organizations performance obligations. Consequently, performance contracting, through its management process, implementation module; timely negotiation and vetting, monitoring and evaluation structures and an evaluation of its impact on delivery of services, is cardinal to assuring efficient services offered to the citizens (Republic of Kenya, 2004).

Performance targets for any given period are identified on the strength of budget allocations which outlines resources allocated to facilitate institutional activities. On this basis, targets set can be realistically achieved using the resources available. The expected targets are always normally proposed by the various institutions and are negotiated freely with the Government. There are two phases in the negotiations: pre-negotiation and the actual negotiation. Pre- negotiation is where the parties look through themselves to identify their weaknesses and strengths to determine the capacity of institution performance based on their strengths. The essence of pre-negotiation is to ensure that both parties settle on targets which are realistic, achievable, can be measured, and focus on a growth trajectory; and more importantly, have been known to be successful in performance of similar institutions. The stage of pre- negotiation is often very involving considering that parties have to hold several meetings before striking a common ground. Once a consensus has been realized, parties

enter into a written agreement and then proceed to actual negotiation. The actual negotiation stage is a stage where the agreed issues are formally identified as performance indicators in various performance criteria. A draft performance contract is developed and forwarded for vetting by officers drawn from the PC secretariat. The vetting exercise is an authentication one aimed at ensuring that the contract complies with all the guidelines and it must be in harmony with the organizational strategic objectives and its mandate (Republic of Kenya, 2004).

Performance contracting requires that the two parties, manager and staff member; enter into an agreement regarding the tasks and responsibilities to be dispensed in any given position. Besides, it requires that mechanisms to be employed to measure an employee's performance be concise and explicit in relation to negotiated performance targets (Akaranga,2008).

During the agreement entered in between the employee and manager, it should be laid bare the skills development structures to be put in place with regards to staff training and development, as well as the information systems to be pursued. In this way, it is postulated that the two parties will work proactively together to actualize the productivity required in their business units (Armstrong, 2006). Among the agreements should also include coming up with a development and action plan through which parties can access development opportunities. According to Armstrong (2006), it is upon the employee or staff member to regularly update the manager on his/her progress in a manner which the agreement spells out, and also point out challenges experienced in attempting to meet the targets. Such feedback sessions should be organized and facilitated by the manager, and should be either formal or informal.

The bottom line is that performance contracting as a process ought to be standard in which

case; the needs of the organization should inform the guidance and processes the agency seeks to employ in achieving objectives under its mandate. It should reflect the four overarching stages of management of work plans, skills development, monitoring and evaluating the performance, and rewarding realization of targets. Management of work plans should take cognizance of the overall business strategy and be in compliance with corporate documentation. Employees should willingly agree on targets to achieve and responsibilities to undertake during the contract period. At the planning stage, mechanisms of measuring and evaluating the performance of an employee against set targets should be elaborated. Moreover, the possible approaches to realization of objectives must be made clear. The skill development stage identifies the requisite competencies and modes of training required to meet them. Such competencies should be compatible with organizational performance needs. The stage may also involve drawing up an action plan of available options through which opportunities can be accessed (Armstrong,2006).

2.8 Performance Contracting and Planning

Various state corporations have customized performance contracting to their respective functions. The ministry of planning and National Development for instance, in its 2003–2006 economic review strategy underscored the importance of PC in harmonizing functions such as annual work plans, the strategic plan and the budget with public agencies ostensibly, to optimize resource use by being accountable and focusing on national priorities (Republic of Kenya, 2010). The argument being that corporate planning which reflects on annual work plans that are made on the basis of budgetary allocation, and which clearly outlines the various levels of responsibility and measurement of performance is critical to achievement of the desired goal of public sector efficiency. It is also important that managers should plan for the expected performance through provision of resources to their respective employees.

If planning is done in advance and adequate resources is allocated to performance targets set, employee performance is likely to be realized leading to overall better organizational performance. Mauyu (2015) in agreement further says that setting of performance targets increased service delivery. Further, Omar (2012) while researching on the effect of performance contracting on service delivery at Municipal Council of Mombasa established that employees had a significant positive change in service delivery because they were able to deliver their performance targets

2.9 Monitoring and Evaluations of Performance Contracts

Political science and management theories define monitoring and evaluation as an exercise that involves collecting and analyzing appropriate data which relates to the achievements made by organizations over time, and implementation efforts undertaken to improve performance (McKelvey and Palfrey, 1996; Millmore, Lewis and Morrow, 2007). They maintained that performance management should not be seen as an end in itself but as a form of basis upon which a follow up on the results and promoting of the actions. The performance contracting should be evolutionary in nature where higher targets are set and realized every year. And this is only possible if the outcome is communicated as early as possible. Both monitoring and control are key facets of accountability for public interests. It is argued that the immense power vested in organizations within the public sector is owed to citizens and must be accounted for (Steward and Ranson, 1994). Consequently, accountability to the public ought to include the political processes used to respond to the many issues affecting citizens and the various stakeholders. Hirschman (1980) argues that economic activities are sometimes guided by pure political actions and may require frequent accountability. This is because citizens often lack an exit plan from the public market, and are left with no option. According to Anthony and Young (1984), pressure for more

accountability is also experienced in Western democracies. (McKelvey and Palfrey, 1996; Millmore, Lewis, Morrow, 2007). pointed out that once evaluations of performance contracts have been completed, the performance contracting results is then given out to the public institutions for use either in rewarding performance of staff and also reprimand. The performance contracting guidelines are then reviewed for the new period based on the lessons learnt in the previous cycle

2.10 Impact Evaluation of Performance Contracting

Impact evaluation is an assessment of the impact of an intervention on final outputs. It assesses the changes in the well-being of individuals that can be attributed to a particular intervention, such as a project, program or policy. The results agenda which is an ongoing debate has forced agencies to demonstrate that the money they spend is improving the lives of poor people, thereby increasing demand for impact evaluation. In the current environment, calls for increased aid spending are only credible if it can be shown that current spending is indeed contributing toward the attainment of the Millennium Development Goals and that evaluation tools in place are effective enough to track the flow of resources through various strata of government to determine how much of the originally allocated resources reach each level (Dehn, et *al.*, 2013).

Debates over impact evaluation reflect the more general debate over the relative roles of positivism and phenomenological methods in social research. Whilst positivism is a strong form of empiricism, phenomenological perspective, on the other hand, captures experiential content with a good degree of reliability. Participatory impact evaluation grew rapidly in the 1980s, and is still growing strong especially amongst non-governmental organizations. The proponents of the participatory approach are skeptical of the econometricians' attempts to

reduce the impact of complex social interventions to a single number. But the econometricians reject analyses which fail to build on a well-designed sample of project and comparison groups which allow statements to be made with a degree of scientific confidence about the behavior of indicators with versus without the intervention (Gupta, 2012). Montgomery (1994) defines econometrics as a discipline which makes use of economic theory, mathematical tools and statistical theory in order to analyze the economic relationships.

Dessler (2013) observed that good evaluations are almost invariably mixed method evaluations. Qualitative information informs both the design and interpretation of quantitative data. He noted that many evaluations under-exploit qualitative methods, both in the techniques they use and the way in which analysis is undertaken. Field experience by members of the core evaluation team is an invaluable source of qualitative data which cannot be overlooked for good quality evaluations. Performance of a public enterprise can therefore be evaluated ex-post where the evaluation is based on selected criteria determined at the end of the performance period, or ex-ante where the firm's performance is evaluated against a set of predetermined indicators. In managing the performance of public sector institutions, it is important to consider the enterprise performance and the managerial performance at the same time. Enterprise performance is based on the observed overall performance of the public institution while managerial performance is the total enterprise performance adjusted for exogenous factors which are beyond the control of managers (Alford, 2012).

The measurement of service delivery can represent a powerful mechanism for obtaining

feedback from client to providers. A better understanding of service delivery will enable policy makers to increase the efficiency and effectiveness with which resources are translated into welfare outcomes. Measures of service delivery represent a vehicle for holding service providers to account for the quality and quantity of services they provide. Impact evaluation, therefore, tackles one of the fundamental problems of evaluation as it aims to measure the key outcomes that may be attributed to an intervention (Amin, *et al.*, 2008).

In a study carried out by Akaranga (2008), it was revealed that all government ministries and state corporations in Kenya had formally implemented performance contracts. According to the study, there was clear evidence of improvement in income over expenditure as well as service delivery in the state corporations and government ministries. This is evidenced by results for financial year 2005/6 where majority of state corporations posted excesses of revenue over expenditure (Republic of Kenya, 2006). Akaranga argues that for it to have impact on the populace, the evaluation of this improved performance should be done not only by the government but also by the service users. The government needs therefore, to come up with evaluating tools which will bring to board other stakeholders.

In some developing countries, like Uganda the government uses Public Expenditure Tracking System (PETS) to track the funding from central government up to service delivery points. For example, a public expenditure tracking survey was carried out in 2002 to assess the effects of improved access to public information in Uganda. This was a replication of the 1996 survey, measuring the difference between the capitation grants disbursed by the central government and the resources actually received by the schools. The

1996 sample consisted of 250 schools, randomly drawn from 18 districts while a total of 218 schools were considered in 2002. Not all schools in the original sample could be resurveyed in 2002 due to security concerns. Summary statistics indicate that schools which had received only 24 percent on average of the total yearly grant from the central government in 1995 received more than 80 percent in 2001 due to increased sensitization via a campaign in both print and electronic media. It is interesting to note that while median school received nothing in the mid-1990s; it received 82 percent of its entitlement in 2001. However, diversion is still a problem for many schools. On average, 20 percent of school entitlements do not reach the schools, and about 30 percent of schools receive less than two-thirds of their entitlements (Bjorkman, 2006). It is clear from this survey that the increased prudence in the disbursement of funds to schools was occasioned by the sensitization campaign. It therefore calls for improvement in the instrument being used to track funds from the central and local government. After all the Public Expenditure Tracking System is just a tool for follow up on public expenditure.

The framework of accountability described in the World Bank Development Report 2007 indicates that there is no direct accountability of service provider to consumer in situations in which the government takes responsibility for services in sectors such as health, education, water, electricity and sanitation (World Bank, 2013). Instead, accountability travels by a long route and thus citizens influence policy makers who then exert pressure on providers. Tracking surveys if well utilized can, therefore, be a powerful tool for public expenditure in not only in the developing countries but also developed countries.

2.11 Performance Contracting Milestones

Bouckert et al., (2007) argue that performance contracting as a tool gives the autonomy

required in handling internal management of human resources and organizations finances. Although this study of Bouckert *et al* was based in Belgium and Flanders, this assertion needs to be established in the Kenyan case. It is expected therefore; that the more autonomy is granted in performance contracting the higher degree of goal attainment will be realized.

Slater (1999) contends that suitable execution of performance contracts enhances self-confidence and decision making among individuals working in the public service. Slater points out that operational autonomy facilitated by performance contracting helps to address the bureaucracy that is notorious with most organizations which rely on management mechanisms of the 1970s. The fact is that the targets are developed mutually between supervisors and their juniors and they provide the middle level managers and employees with some autonomy as far as the targets set are concerned. The operational autonomy provides them with the freedom in decision making so that employees can make decision easily in their area of jurisdiction hence reducing the time wasted through unnecessary bureaucratic requirements.

Through a report submitted to the office of financial management, Moy (2005) underscores the importance of performance contracting. Moy argues that the autonomy inherent in performance contracting has seen an increase in the development of internal structures employed in most public agencies. Using seven agencies to examine the impact of performance contracting, Moy (2005) established that most agencies had adopted the performance contracting practice in order to improve results. Implementation of the practice had been undertaken either on a state wide basis, through agency wide basis, or cascaded to specific divisions within agencies. Although results tended to vary across various agencies, the commonality remained that accountability for services delivered to the public had

notably increased. Moreover, partnerships between agencies and contractor community had been solidified, and seen a shift among agencies from the term performance to newer terms such as outputs, deliverables or outcomes. Similarly, agencies started giving more emphasis to efficiency and effectiveness.

Trivedi (2007) in his study on different designs of performance contracting found out that in majority of the developing countries performance contracting had been introduced only for the state-owned enterprises (SOE). In a subsequent publication Trivedi (2008) argues that, Performance Agreements (Performance Contracting as referred elsewhere) had greatly led to improved public enterprise accountability and the performance by preventing confusion that arises from multiplicity and conflicting goals. Accountability as referred to by Trivedi was the foundation of improved performance in the public sector. The Kenya public sector was among the many in Africa which have implemented performance contracting in pursuit of accountability and it remains a task to establish how true the conclusions of Trivedi in reference to Kenya public service are.

Martins (2000) conducted a study examining performance contracting from a human services perspective which affirmed that performance contracting meets the desired aim of improving services offered to citizens. A unit engaged in rehabilitation services among the Oklahoma community which had implemented performance contracting had for instance, seen a drop in the cost of contractors for every placement of 51% in the period starting from 1992 to 1997. Similarly, the unit enjoyed a 53% reduction in the time (in months) that clients used to take to be served, which was a great achievement. On the other hand, the social service division in North Carolina enjoyed an increase of 103 adoptions in the 1993-1996 FY and 370 adoptions in 1997-1998FY. Moreover, the department tasked with

children affairs and Family services in Illinois enjoyed an increase of 3159 placements in the first year, and 3933 placements in the year in its relatives' home care case load.

2.12 Performance Contract Implementation Factors and Service Delivery

Sean (2009) conducted a study which confirmed that performance contracting goes beyond rating, coaching, feedback delivery and documentation if well implemented, it also facilitated development and achievement of the enormous potential inherent within employees.

Moreover, if standardized, the process provides the panacea to agency objectives. Sean (2009) further avers that guidance towards support of the organizations needs to inform the nature of information required. In so doing, the main strategies such as management of work plans, development of skills, monitoring and evaluating performance, and rewarding performance become more effective. Management of work plans requires that business plans as well as other relevant corporate documents such as staff responsibilities and key deliverables be made explicit.

Leonard (2001) and Waweru (2008) contend that in spite of performance contracting emerging as a critical strategic planning tool, it plays a key role in the new public administration since it redefines performance measures and outputs thereby promoting internal performance within organizations by being customer centric. It seeks to optimize customer competencies which also oversee improvement in external performance among organizations. This indeed needs a well-defined training program for employees to help solve their shortcomings. If there is a new area or target of performance for that matter, the leadership of the organization should plan for training in advance to provide the employees

with the necessary skills and competencies. With proper planning for performance each contract period is expected to be a success for both individual employees and the organization.

Muralidharan (1997) and Martin (2010) pointed out the public sector operations are mainly consumed by citizens, and hence they need to play a significant role in evaluating performance. Martin (2010). Martin (2010) holds the view that performance contracts are strategic in that it seeks to directly links individual, team and department objectives to the overall organizational goals and as such it develops a shared understanding of how to improve effectiveness. In the study, it indicates that performance control is realized if the citizen's demands are responded to. The argument posited is that performance contracts emphasize accuracy and speed in providing customers with information and in handling their concerns. Speed in such cases reflects time taken by citizens when waiting for feedback to their requests from the particular agencies. On the contrary, accuracy is viewed as the level to which the response given by the agency rightly answers to the wishes and needs of the customer (Miller and Firesen, 1983). Put differently, whereas speed is a factor easy to measure, accuracy is more complex. As a sure way of measuring discernible speed, public institutions in Kenya are required to prepare service delivery charters detailing commitment to service in terms of expected value per service rendered, service requirement, expected timelines and mechanisms through which redress can be sought. However, it is important to note that these charters lack mechanisms for monitoring considering that no measurement protocols for their implementation is in place. This is unlike private institutions such as Barclays Bank which have clear service monitoring tools at service tellers where feedback for the service offered can be made by customers.

The challenges to performance contracting and implementation to deliver the services include: resistance to change, lack of awareness and training, inadequate consultation with stakeholders and targets not drawn from the strategic plan (Omboi and Messah 2011). On the other hand,(Kogei, Magugui, Yano and Chebet ,2103); Mwandia ,2012; Elmore ,2007) did not agree and listed the following as the challenges: lack of legal and regulatory framework, inefficient structures, lack of political will, rampant corruption and uncompetitive culture. But Leonard (2001) differed with others by indicating that the greatest challenge is that of frequent changes in top management. (Mbau and Sarisar, 2014; Getere, Kwaro and Gakure, 2013) agrees with Kogei, Magugui and Chebet (2013) that political interference affects the delivery of services but they also noted that lack of commitment from the evaluators, lack of involvement of the citizens and targets not drawn from the strategic plans are serious issues on service delivery. Trivedi (2000) on his part notes that there is lack of law to guide the operations of performance contracts and different consultants are used both at the beginning of the excise and at the end during evaluation which results in disparities. Also included are, fear of signing of performance contracts, poor understanding of the process strategic management, poor coordination of the process of performance management, inadequate support from the management, dishonesty in reporting of performance and high staff turnover (Kempe, 2013; OPM/PCD, 2012; Fryer and Ogden 2009; Mulama and Owano, 2014). Guohui and Eppler (2008) identified the strategies to implementation of performance contracting and implementation as being composed of soft and hard factors. In this context, factors such as commitment, consensus building, communication, and tactics of implementation which are people oriented are perceived as soft factors, and the hard factors includes organizational structures and administrative system.

Akaranga (2008) conducted a study through which he established that implementation of performance contracting had been affected across all government ministries state corporations in Kenya. The study further revealed that through signing performance contracts, income over expenditure and delivery of service had noticeably improved in these institutions. Indeed, the 2005/2006 financial year results attested to the fact that revenue over expenditure had invariably increased (Republic of Kenya, 2006). Akaranga (2006) contends that being an exercise that involves users and government agencies, it ought to have a telling impact on the population.

Mwandia (2012) and Elmore (2007) agreed that lack of proper reward system in place and unclear measuring standards poses great challenges to realization of the performance contracts. Political interference, poor management practices, excessive regulations and controls and, staff establishment that is overly bloated (AAPAM 2016). On the other hand, (Kempe, 2013; OPM/PCD, 2011 and 2012; Fryer and Ogden 2009; Mulama and Owano, 2014) their view was that legal obstacles, fear of signing performance contracts, sanctions on poor performance, lack of managerial support, unclear incentive systems, inadequate understanding of the management of organizational strategic process, high employee turnover, poor coordination of the performance contracting process, falsifying of performance reporting, and non-involvement of all stakeholders are among the common challenges experienced.

2.13 Empirical Literature Review

2.13.1 Performance Contracting and Service Delivery

Mauya (2015) used the Tourism Ministry to examine how target setting influences delivery of services. A descriptive survey design was employed with a target population of 164. Questionnaires were used and the spearman's correlation was used in the analysis. The study identified that 58% of the respondents in the study agreed that after performance contracting

and issuance of customer service manual enabled the staff to offer better services. This in essence showed that indeed performance contracting was an avenue for improving the delivery of services to the citizens by public enterprises. In a related study by Omar (2013) which sought to find out how performance contracting affects service delivery in Municipal Council of Mombasa. Cross sectional descriptive research design was used. with a target population of 256. Census sampling was employed. The study indicated that 90% of employees achieved positive changes in their service delivery and were able to deliver as per their performance targets they had set at the beginning of the period. This in essence showed that performance contracting enhances delivery of services to customers of public institutions

Waruri (2016) used the Teachers Service Commission context to examine how performance contracting impacts on service delivery at the commission. The study used mixed research designs and the sample population was the permanent Teachers Service Commission employees, comprising of the secretariat and the teachers. Both primary and secondary data were collected for the study. The study confirmed that service delivery at the Commission was a function of performance contracting. The study however reported that the strategy targeting performance contracting in the commission had not been significantly devolved to ensure effective involvement and participation of all employees at all service delivery levels. Service delivery was therefore enhanced by use of performance contracting

Omar (2012) in his study, he wanted to find out the effect of performance contracting on service delivery at the Municipal Council of Mombasa. The study was carried out using the case study research design. The study carried out in-depth interviews with 12 top management team of the council, who were spearheading the performance contracting and their views on performance contracting were taken. Records and reports on the Council performance indeed provided useful information, which was utilized in the compilation of

the final study report. The analysis identified financial constraints, shortage of staff, political interference and negative attitude by stake holders, lack of adequate facilities and technical staff as the major causes of challenge to service delivery to the people of Mombasa Municipality. The outcome of performance contracting, according to a higher percentage of the respondents including the council's clerk is that it registered an improvement in employee accountability, service delivery, improved and it increased the team spirit due to its ability to motivate employees to work. The study therefore noted that performance contracting helped to enhance delivery of services

Norman (2004) in his study, he established that performance contracting is used as a tool to help realize consistency and quality service delivery in a decentralized context. Rotich (2014) on the other hand studied on the effects of performance contracting implementation on service delivery in provincial administration. descriptive survey design was used with a target population of 147. Purposeful and stratified random sampling were together. The study pointed out that workers indeed had a paradigm shift in terms of how they did their work and that helped in realizing their targets and ultimately to achieve quality service delivery for the consumers of their services. Equally the study further noted that now after implementation of performance contracting, it now takes a shorter time in solving public issues and the workers have equally developed a sense of responsibility for their actions as a result of performance contracting. The study also established that elimination of corruption, availing of resources on time and having qualified staff are recruited as a condition for performance contracting to enhance attainment of quality service delivery.

Ochoti (2012) had a study on the factors that influenced the performance appraisal system and descriptive research design was used with a target population of 76. Questionnaires

were applied and the multiple regression was done to show the relationships between the variables. The study findings indicated that implementation process, interpersonal factors, rater accuracy, information factors and issues, and finally employee attitudes had a positive relationship between performance appraisal and ultimately performance contracting if service delivery is to be realized for the consumers of their customers. Alabar and Abubakar (2013) in their study on employee empowerment on service delivery in Nigeria banking industry where they covered about 9 branches out of 15 branches of First Bank in Kaduna State, the study established that employee's empowerment indeed had a positive and significant effect on quality of services delivered and productivity. The sector is over excited with performance contracting activities and are providing all the needed resources for its full implementation and that has enhanced services delivered

Byamukama (2012) carried out a study and established that in Rwanda they used indigenous knowledge known as *imihigo* which is translated to mean performance contracting and it has resulted into greater improvements in service that are delivered in terms of socio-economic variables for the wellbeing of the country's citizens. Also of interest is the study by Mulei and Orodho (2016) on the efficacy of performance contracting in the management of secondary schools. Descriptive design was used. A target population was 250 and quantitative and qualitative data was generated. The study found out that performance contracting procedures indeed regulated the financial management practices and enhanced service delivery while Mbau and Sarisar (2013) established in their study that performance contracting resulted into accountability where employees felt committed to their actions by being responsible (Kobia,2006)

Further Reza and Chitto (2009) in their study, they found out that performance contracting

enhanced communication both internally and externally and as a result there is a positive significant effect on service delivery. The study used descriptive cross sectional design with a population of 2392. Correlation and regression was used to show the relationship between the variables. Equally Muthaura (2007) maintained that for performance contracting to be effective then the focus should be to have a pool of public officers that have the skills, knowledge and with a positive behaviour pattern that embraces positive work ethics in order to realize enhanced quality services delivered. the study focused on 16 state corporations and used explanatory research design

Ochieng (2010) in his study on performance contracting on public service delivery in the National administration in Kenya. A case study of Eldoret west-sub county, used descriptive survey design with both quantitative and qualitative approaches in use. A population of 270 was targeted with stratified random sampling used and the spearman's rank order correlation was used. The study established that performance contracting led to enhanced accountability by defining what each person is to do and when to do it. The study also noted that when outstanding performance is rewarded by way of promotion, pay rise or recognition, a sense of loyalty and commitment sets in and leads to increased service delivery. Ang'ayo (2019) in his study that used descriptive case study design with a population of 82 utilized in the study. Spearman's rank order was used in the analysis . The established that performance contracting enhanced financial stewardship and enhanced service delivery. The study further maintained that the performance contracting influence on service delivery was moderate an indication that the there are other factors that also affects service delivery other than performance contracting. Hope (2013) established in the study that performance contracting is used in public service to implement policies and improve productivity and service delivery (Mauya,2015)

Lin (2014) established in his study that service delivery is a function of customers, staff and the facilities which should be enhanced. The study equally found out that performance contracting helped to reduce corruption and customer complaints. The study targeted 40 hot springs and used both interview schedule and the questionnaire. Qualitative data was generated. Equally, Geoffrey (2013) while investigating on the effects of performance contracting on service delivery, a case study of Nakuru sub-county in Nakuru county, established that performance contracting affected service delivery positively. The study adopted case study design with a population of 113 council employees where stratified random sampling was used. Choke (2006) on the other hand established from the study that the top managers played a leading role in performance contract implementation and they helped shape a positive perception on performance contracting which in turn made workers to develop positive perception towards performance contracting and that enhanced realization of service delivery. The study had a target population of 23 state corporations where questionnaires were used.

Mbithi (2010) found out from his study that performance contracting led to improvement in quality of resource allocation and greater managerial decisions. Further the study pointed out that performance contracting also helps to enhance accountability by making employees responsible for their actions out of their targets that they negotiated. The study used correlation research design and had a population of 328 that was stratified. The questionnaires were used

Halachmi (2011) in the study, it was established that performance contracting leads to increased transparency and accountability which is evidenced through efficiency and effectiveness in allocation of resources and finally that increased service delivery to the

citizens. This was an explanatory research design study that relied on secondary data. Gakure (2013) in their study on the role of performance contracting in enhancing effectiveness of performance in civil service in Kenya, state department of infrastructure, used explanatory design with a target population of 1072 where stratified random sampling was used. Correlation and regression analysis was used in data analysis to show the relationship between variables. The study established that performance contracting enhanced effectiveness of performance in service delivery to the citizens. The study further indicated that there was a positive relationship between performance contracting and productivity. While Armstrong and Baron (2004) in their study, it was established that performance contracting enhanced quality of service delivered in the most transparent manner where the workers are held responsible for their actions on their targets (Jerop, 2017).

Nganyiek (2014) acknowledges in the study that performance contracting leads to a higher performance and quality of services delivered through regular and periodic setting of the targets, monitoring and evaluation. This study used descriptive design and the questionnaires were used. the target population was 80 (Rotich, 2014). Arimi (2017) did a study on the factors influencing implementation of performance contracting in public institution in Kenya, a case of the ministry of sports, culture and arts. Descriptive analysis techniques were used. The study established that performance contracting was highly influenced by the organizational culture in terms of the composition of committees, awareness of employees and their commitments. The study further states that for efficient implementation of performance contracting to realize increased service delivery, the workers involvement in performance contracting issues, awareness creation and increase in communication channels should be provided and prudent leadership are key critical factors to be considered

Ndigijimana (2020) did a study in Rwanda on the topic enhancing effectiveness of public services performance through performance contracts. The study used explanatory descriptive design with a population of 125. Simple random sampling was used with the questionnaires. The study was an eye opener for the country for it established that performance contracting leads to effectiveness of service delivered, it led to improvement in accountability, ownership of services and citizen participation. The combination of these factors leads to a high-quality delivery of services to a country.

Olive (2012) conducted a study on the effect of performance contracting on service delivery at JKUAT. It used descriptive cross sectional design with a target population of 316 JKUAT staff and 5213 students. the questionnaire was used. The population was stratified. The study established that performance contracting enhanced timely response to the customer inquiries and problems were solved faster than before. It also showed results of greater convenience and control. However, despite that, the study maintained that there ought to be a link between the performance contracting and the compensation system for much better results. Muiro (2014) in his study found out that performance contracting contributed to the greater target achievement and effectiveness in service delivery. It used a case study design that used the interview schedule and generated qualitative data. Letangule and Letting (2012) in their study at the Education ministry which was a case study and applied descriptive research design and regression was used in data analysis. The study established that performance contracting indeed had an effect on employee productivity, service delivery, efficiency and consistency.

Mwiti and Gongera (2013) in their study on Kenyatta University established that performance contracting resulted in increased service delivery. The study was a descriptive case study design with a population of 961. Questionnaires were used and regression was

done to show the relationship between the variables. It also led to increase in efficiency and effectiveness by realizing all the targets set. On the other hand, Ombuki (2011) and Bomett (2005) noted in their study that performance contracting led to increase in revenue collection in the ministry of lands. For example, revenue rose from Kshs 860,720,078 to Kshs 953,890,673 in 2014. It also indicated that 75% of the respondents had a view that salaries greatly affected service delivery and the same was on the training. Therefore, the study showed that service delivery is also greatly affected by the salaries and training. This was a case study design with a target population of 200. Content analysis was done

Jerop & Kiptum (2017) in their study they sought to find out the effect of performance contracting on organization service delivery. The objective of the study was to establish the effects of work plan management on service delivery. Data was collected by use of questionnaires that were given to the permanent employees of state corporations in Eldoret. The study used descriptive survey research design. The study utilized 147 employees that were drawn from various levels of management from 21 state corporations in Eldoret. The study utilized a complete census of the target population. Questionnaires were used as a data collection instrument. The study concluded that state corporations and other organizations should base the evaluation of their employee's performance on their achievements and identify the gaps and the reasons affecting the performance. Equally they should develop and ensure implementation of the strategies that support culture change.

Alwy (2012) in a study on the Municipal council of Mombasa established that performance contracting led to increase in service delivery, employee accountability and the team spirit. The study was a case study design with a target population of 11 departmental heads. Qualitative data was generated. Okech (2017) in his study established that a strong relationship existed among performance contracting and efficiency in provision of service

delivery through a decline in operational costs, improved revenue and enhanced resource use. However, the study identified a number of challenges to service delivery as including inadequate resources, lack of training and absence of formal rewards. The study used explanatory design and relied on secondary data. Ndubai, Mbeche and Pokhariyal (2016) analyzed factors which were responsible for influencing public service delivery in Kenya. Cross sectional research design was used with a target population of 470 public agencies. It utilized secondary data. Concentrating on the role performance contracting plays, in performance management in state corporations, ministries, tertiary institutions and local authorities, Ndubai et al (2016) sampled a total of 470 institutions. They employed the cross-sectional design which was based on results of performance evaluation conducted between 2004 and 2011. They established that improvement in delivery of services to the public was a function of performance contracting as depicted by an overall improvement of 73.6 percent in the delivery of services.

Rotich, Ochieng, Bett, and Achieng (2014) in their study, they indeed wanted to find out the effect of implementing performance contract on service delivery in provincial administration and also to find out the effectiveness of Performance Contracting in improving efficiency in service. The study results showed that the implementation of Performance Contracting was very effective in improving efficiency in service delivery.

Ang'anyo and Mbatha (2019) focused on the National Government Administration context to examine the impact the use of performance contracting had made on delivery of public services in that context. Using the Eldoret West Sub-County, they sought to explore how financial stewardship, management of human resources, and public complaints resolution were affecting service delivery. Ang'anyo and Mbatha (2019) embedded their study in the Principal Agent and New Public Management theories. Through the descriptive survey

research design, they established existence of a moderate association between performance contracting and service delivery in Government Administration. In essence, the study confirmed that service delivery is driven by a combination of factors. Moreover, minimal variations were reported among the various dimensions and mechanisms used to handle complaints. These mechanisms were also found to have a positive effect on service delivery improvement. In a similar study, Ngetich (2015) probed how use of performance contracting had impacted on delivery of services in Nakuru sub-county. Ngetich employed the case study design, and targeted 375 employees from whom a stratified sample of 113 employees was selected. A structured questionnaire was used to collect primary data. Among the findings was that indeed increase in service delivery in the sub-county was dependent upon implementation of performance contracting.

Mugabo, Mulyungi and Ngusale (2018) investigated whether service delivery at Kicukiro water project was influenced by implementation of performance contracting. Specifically, the study sought to identify factors affecting the implementation of the performance contracting culture. The aim of this research was in essence to establish whether performance contracting has enhanced service delivery. A descriptive research design was used. It also adopted qualitative and quantitative data collection approaches. The study utilized a population that comprised 550 employees of Kicukiro water projects from which a simple population size of 226 respondents was obtained through multistage sampling technique. The 99.1% of the respondents said that implementation of performance contract affected service delivery. Qualitative data was used through interviews, participation and observation in order to describe the impact of performance contract and service delivery. The study revealed existence of a highly significant positive correlation between implementation of performance contract and delivery of services. Among the recommendations made by Mugabo et al., (2018) was the need to facilitate the ease of

implementation of performance contracts.

Oketch (2017) examined how performance contracting influences efficiency in the delivery of service in Kenya's public sector. The study focused on determining how performance contracting affects resource utilization and also delineating challenges that are experienced during implementation of the contracts. The study employed the descriptive design and, targeted permanent employees drawn from selected state departments and institutions and, selected using simple random sampling. A questionnaire together with a key informant interview schedule was employed to gather primary data, while a review of existing published literature yielded the requisite secondary data. From the study, performance contracting had a positive and highly significant linkage with efficiency in service delivery to the public, measured in terms of; decline in operating costs, improved revenue and output, enhanced resource use and allocation, among others. Key challenges revealed in the implementation of performance contracting include, inadequate resources, unrealistic performance targets and lack of independent monitoring and evaluation office, and lack of formal rewards systems, among others.

Githiri (2015) established in his study that level of education or staff training contributed positively to service delivery as shown by 64% of the respondents. It also revealed that technology greatly affected service delivery positively but did not result in efficiency in provision of services. Equally the study found out that employee's motivation was a significant variable and affected customer service delivery and should be considered by management if improved service delivery is expected. This was a descriptive research case study design with a target population of 112 employees that was stratified. Multiple regression was done to show relationships between the variables

Mutembei, Njuguna, and Ondabu (2014) did a seminar paper on the role of performance contracting. The paper reviewed literature on the same subject. The paper pointed out that the utilization of performance contracts had been found to be an effective avenue as well as a promising approach through which, the performance of public sector enterprises and other government department were bound to be improved. The public sector not only requires a focus on increasing systems for effective strategic management, but also ought to minimize the gap between annual planning and ambitious strategies. In Kenya, realization of economic growth that is sustainable has been constrained by a public sector that has over the years been performing poorly. This is especially so in management of public resources. Githuri (2015) also advanced the view that improved performance is a function of reform measures that the government of the day puts in place such as application of performance contracting.

Mugumbi (2014), in her study on e-government found out that the technology use led increase to the service delivery. Further she found out that overcrowding leads to decrease in delivering of services. Moreover, the findings indicated that resource factors helped to increase on service delivery in terms of performance but never resulted in increase in customer care activities. Kobia and Mohammed (2006) used the civil servants context to examine the role of performance contracting in service delivery. Using literature on performance contracting, a questionnaire was developed and administered to 280 participants undertaking the public service course at the Kenya Institute of Administration (KIA). The study revealed that performance contracting had occasioned transparency and accountability, leading to improved performance and enhanced efficiency in delivering services. The responses further revealed that the notion of performance contracting was not new to most of the participants. The study however found out that performance contracting

did not realize effectiveness in service delivery

Kago (2014) concentrated on Kenya's state corporations in probing performance as a function of performance contracting. Key among the focal points for Kago were: -how performance contract impacts on performance, priorities that state corporations have advanced in the endeavour to implement performance contracting; and the link between managerial performance and use of performance contracts. Using a descriptive survey which targeted 124 state corporations chief executive officers. Purposive sampling was done with the use of questionnaires. Kago (2014) confirmed further that performance contracts had become compulsory in most of the corporations over a period of the last five years. Each employee was expected to sign a performance contract prior to engaging on assigned tasks, an engagement that has been embraced across the state corporations. In addition, the study affirmed that management and organizational performance correlated positively and highly with performance contract implementation and the delivery of services. Finally, Kago (2014) concluded that performance contracting is the panacea for improved performance in Kenya's State Corporations.

Despite the fact that most studies show that performance contracting had a positive influence on services delivered, there are other studies where performance contracting had a negative influence on service delivery for instance, Njoroge (2014) while studying on teacher training colleges in Kenya established that performance contracting greatly increased service delivery but on the negative side, it limited employee creativity and innovation. The study also found out that for service delivery to increase then the targets must be cascaded down to all workers. Republic of Kenya (2010) pointed out that performance contracting led to increase in service delivery in Government ministries but

impacted negatively in some ministries. Equally Macharia (2014) noted from his study that Government policy, employee motivation and organizational culture are factors that influences service delivery and not performance contracting.

Manwa, Kindiki and Boit (2014) used the Technical Institutes context to explore the concept of performance contracting. A quasi experimental research design was used with a target population of 370. the T-test was used in the analysis. Among their findings was that performance contracting had failed in facilitating prudent utilization of teaching and learning resources among tutors. In yet another study Kogei et al. (2013) analyzed the motivation of the Kenyan government to introduce performance contracting as an avenue for improved delivery of services in the public sector. The study revealed that although the governments' motivation was to see an improved sector devoid of a bloated workforce, the performance contracting had not occasioned any meaningful change in quality of the services which were being delivered to citizens. The Kenya Government's performance management is a special approach in the world that seeks to ensure improvement in service delivery in the public sector. The study revealed that same approach has been tried in other countries like Malaysia, Singapore and even in the US and the outcome has mixed results. Equally Kogei established that customer complaints never reduced and unsatisfactory services and quality of the items given to the clients as wanting. The study design was explanatory case study with target population of 10 supply chain staff

Teresa (2007), while investigating on public sector efficiency established that appropriate human resource management practices negatively affected delivery of services. The study also identified that budgeting and budget following helps to boost the delivery of services because the goals are prioritized, transparency and focus is maintained. Despite that, the

study however established that performance contracting did not result into increased revenue for the organization. Kwedho (2015) in the study on secondary school teachers service delivery, established that performance contracting did not enhance learning in schools nor did they reduce on recurrent expenditure. Muthui (2016), in her study on factors influencing service delivery in county Government in Kenya. A case study county government of Kitui. The study used descriptive case study design. Regression was used in data analysis and the findings were that resource mobilization, public participation and accountability enhances service delivery

From the literature reviewed, performance contracting influenced service delivery. A number of studies concurred on this. Reviewed studies (Olive, 2012; Muiru, 2014; Mwiti and Gongera, 2013) demonstrate that performance contracting resulted into enhanced response to customer inquiries and problems, greater convenience and control, greater target achievement and effectiveness. Equally (Letangule and Letting, 2012) indicates that it resulted to increased service delivery, efficiency and effectiveness, and employee productivity. On the other hand (Ombuki, 2011; Oketch, 2017) demonstrate that it led to increase in revenue while (Njoroge, 2014; Alwy, 2012) indicates it led to increase in service delivery, employee accountability and team spirit. In addition (Kogo, 2014; Mutembei, Njuguna and Ondabu, 2014) indicates that it led to increase in enterprise and managerial performance. While (Ngetich, 2015; Omar, 2012; Waruri, 2016; Ochieng, Bett and Achieng, 2014) established that it increased service delivery and efficiency.

In contrast other studies reviewed did not find performance contracting as having resulted into increased service delivery. Reviewed studies (Republic of Kenya, 2010; Manwa, Kindiki and Boit, 2014) demonstrate that it did not result in increased service delivery for it had a positive impact in some ministries while it had a negative impact in other ministries.

Further (Chepkemoi and Chebet, 2013; Kwedho, 2015) demonstrates that it did not bring any meaningful change in quality of services delivered nor enhanced learning in schools and did not reduce on recurrent expenditure. Interestingly (Teresa, 2007) pointed out that it did not result in increased revenue as shown by other studies. Furthermore (Muthui, 2014) demonstrates that it did not result in increased number of customers served nor a reduction in customer complaints. In addition (Waruri,2016) said that although it led to improvement in service delivery, it has not been devolved to all levels and as such it has not led to improved service delivery at levels

From the studies reviewed most of them were case studies: Mauya (2015) studied Ministry of Tourism, Omar (2012) studied on Municipal council of Mombasa, Olive(2012) studies on Jomo Kenyatta University of Agriculture and Technology, Letangule and Letting(2012) researched on Ministry of Education, Mwiti and Gongera (2013) was a case study of Kenyatta University, (Ombuki, 2011; Bomett, 2015) had a case study of Ministry of Lands, and Kogei, Yano, Chepkemoi and Chebet studied on Moi Teaching and Referral Hospital. The findings indicated mixed results where some studies showed a remarkable influence on service delivery while some other studies disagreed. No study applied ex post facto design which this study will use

From the foregoing studies, it's clear that the findings on the relationship between performance contracting and service delivery returned both a positive and a negative verdict at the same time. This is a mixed result which points to the possibility of the existence of a moderator(s) which is yet to be tested. Equally majority of the studies were case studies. This study will use surveys and Ex post facto research design and surveys allows for high level of generalizability of the findings. The study endeavoured to identify the moderators to help justify the mixed results identified in the literature review.

David (2014) and Mackinnon (2008) defines a moderator as a variable that seeks to modify the strengths of the relationship between an independent variable and dependent variable. The moderation effect is referred to as an interaction. There are varied reasons why a moderator is used; one, for acknowledgement of a complex behaviour; two, for manipulation check. Its where an additional experimental factor picked is observed to see the effects across subgroups. This helps to bring out what happens when additional dosage of experimental factor is increased; three, for generalizability of the results. Moderation provides an opportunity to test whether an interaction has similar affects across groups where consistence of intervention outcome helps in generalizing the results; four, specificity of effects. It's always good to identify groups to which an intervention has the greatest effect or no effect for this helps in targeting specific groups; five, for identification of iatrogenic effects in subgroups. This is where moderation is used to find out the subgroups for which the effects are counterproductive and lasts six is for practical implication. Its where if moderator effects are found, then decision taken could be guided by such information. It's on this basis this study seeks to find out moderators to justify why studies returned mixed results on the relationship between performance contracting and service delivery.

2.13.2 Personal Factors and Service Delivery

Personal factors for this study include: high level of education and training, suitable transfer of staff, suitable work environment, positive employee relationship with management, positive workers attitudes and beliefs, right perceptions towards adoption of PC, suitable management style used by managers, suitable position held, adoption of technology like use of internet and finally rewards and punishment given for the results (Moy, 2005). These personal factors affect service delivery

Kobia and Mohammed (2006) assessed the experience workers had with the concept of

performance contracting. They used a series of questions to probe whether workers had signed performance contracts with their immediate supervisors and their experiences in the implementation of the same. Kobia's and Mohammed's assessment revealed laxity in implementation of performance contracts among workers. Out of the 38 workers interviewed, only 25 had entered into performance contracts. The study used mixed methods. Among the key challenges associated with laxity in performance contracting implementations were: inadequacy of resources, unplanned staff transfers, and delays in release of required resources.

Kosgei (2013) on the other hand had a research on the effect of performance contracting on service delivery public health sector where explanatory case study research design was used. stratified sampling was also used on a target population of 10. and the study established that workers with low academic qualification had less involvement in setting of targets and as such that contributed to the failure of performance contracting in realizing the needed quality service delivery. But for the staff who are well educated and qualified fully participated in target setting and had all issues on ambiguity or unclear on performance contracting sorted out and at the end higher quality service was delivered. The study further pointed out that employees who are involved in performance contracting should also be involved in decision making in order to make performance contracting meaningful and realize enhanced service delivered

Thompson (2007) pointed out that implementation of Performance contracts depends on the competencies of the personnel and the effective internal organizational systems. The study used explanatory research design and utilized secondary data. On the other hand, Wilson (2005) established in his study that effective implementation of performance contracts depends on top managements commitments to the strategic direction and the managements

styles in use. His study used explanatory research design and stratified random sampling applied. The questionnaires were used and the data was analyzed by use of regression to show relationships between variables. Schroeder (2003) studied on the impact of human resource management practices on operational performance. The study research design was exploratory methods utilizing secondary data. It established that employees in unstable environments tends to move elsewhere and that affects implementation of performance contracts and hence service delivery. Equally, he established that a number of factors affects performance contracts for instance lack of training and relevant skills will hamper realization of the contracts. Organizational culture also influences performance contracts like when workers are rewarded for good performance, then team spirit is at its highest and same is the realization of performance contracts. Also included is the budget or financial resources available in the cycle where its availability increases the chances of achieving of performance contracts and the quality of services sought (Schroeder, 2003)

Pollit (1988) in recognizing that the private sector has an abundance of wisdom which may not be easily transferred to the public sector maintains that interactions and sharing of knowledge between the two sectors will produce good results for both. The study was an exploratory one using secondary data. In Kenya, for instance the government is encouraging the Public-Private sector partnership in order to cause a positive change in service delivery (Smith, 1993). On the other hand, it identifies two different parameters for measuring public sector performance which are external and internal to the organization. The parameters for internal performance include managerial processes, routine and formal procedures which attract very little interest to ordinary citizens yet they are the ones that are popular in the management literature. The main aim was to assist the central government to secure closer control to develop management teams.. His study was a case study utilizing of secondary data

Palfrey et al. (1992) argue that external indicators were critical in increasing public sector organizations accountability particularly when dealing with external like-minded parties. They cite the example of external parties such as the Central Government, the electorate, service users and tax payers. Such indicators were critical in sensitizing external users on potential consequences emerging from actions taken by the public sector to fast-track judgment on the performance of organizations. It was a case study using purposive sampling with secondary data. The study compared processes adopted in the public sector for accountability with those that private sector organizations use in financial reporting. The assumption was that information gathered from such a comparison has potential to streamline internal control mechanisms put in place in the public sector to suit external related expectations, as is the case in the private sector.

Flora and Kubaison (2017) in their study on the influence of leadership and service delivery, established that leadership styles for instance democratic style if used positively influenced service delivery. This study had descriptive study design with a target population of 110 who were stratified. Pearson's correlation and multiple regression were used on data analysis. Further, Kolil and Manyasi (2019) while researching on the effect of leadership on service delivery in County Government in North Rift, Kenya, established that leadership style adopted affected service delivery. The study was a case study using questionnaires and regression was done to show relationship between variables. Twanga, (2016) agreed with Kolil and Manyasi but their study applied mixed methods, purposive sampling and used questionnaires to collect data. Equally, Kogei, (2015) looked at the effect of leadership development strategies on service delivery at Kenyatta National hospital. It was a case study that used descriptive survey with a target population of 300. questionnaires were used. The study established that leadership strategies and leadership transformations increases service

delivery. Hannah and Wambua (2020) brings out the fact that leadership style adopted influenced service delivery. This was a desk top research that utilized only secondary data. Purposive sampling was used to pick both public and private institutions. The study pointed out that there is a relationship between performance management practices and service delivery. Merwe and Ukpere (2013) in their study on leadership challenges in the police service, found out that there is a positive relationship between leadership and performance. Their study was an explanatory case study that utilized the questionnaires. Gaitho (2017) studied leadership qualities and service delivery and established that for better service delivery, the organization must ensure high levels of accountability and ethics which are dictated by the leadership styles in use by the management. The quality of training given to the employees influenced personal job satisfaction and service delivery (Cole, 2017; Nassazi, 2013; Well, 2013; Cyril, 2012; Bouwman, 2013; Swat, 2005; Manzini and Shumba, 2014; Richard and Noor, 2014; Shaw, 2015)

Rajasekar, 2014 and Paarlberg & Lavigna (2010) found out in their studies that the responsibility of a leader is to direct activities, streamlining processes and motivating employees to ensure their full commitment and that increased service delivery by a very big margin. Their study was a survey with a target population of 150. The descriptive statistics were used. Nahavandi(2006) says that higher performance and increased service delivery should be rewarded through promotions, higher salaries or any other form of recognition. This was an exploratory study. This is also shared by Ngui (2014). Though Ngui researched on the effect of reward and compensation strategies on performance of commercial banks in Kenya. The study used mixed methods with a population of 2738. Stratified sampling was used together with both interview schedule and questionnaire

Obongo (2009) postulated that the use of performance contracts has seen an improvement

among government officers in the accountability of public resources at their disposal daily. This was a desktop research and used secondary data only. A study by Kobia and Mohammed (2006) indicates that 68.6% of the 280 public servants involved in the study held a view that performance contract could cause a great improvement in accountability among public officers. Descriptive research design was used and the questionnaires were used to collect data. According to Therkildsen (2002) did a study on efficiency, accountability and implementation on service delivery . The study was exploratory that used secondary data. It established that enabling managers to match performance targets with expected political priorities, PCs improved the political accountability. This in essence was viewed as a reciprocal relationship where upon politicians could also be in a position to hold managers to account. Moreover, performance targets were seen as the key to enhanced transparency and efficiency in the public entities 'performance. On the basis of this line of thinking, the new and realized transparency and clear performance targets that are pursued leads to elimination of bureaucracy and entrenchment of democracy and accountability. In this way, individuals, teams and organizations are able to file concise results. Besides, it is a framework through which parameters to guide and measure performance can be designed and developed. Being accountable in public service, particularly in form of auditing, accounting, decentralization, and holding public officers responsible is a sure response to the needs of consumers.

Omondi (2016) in his study in hospitals in Kenya, established that information technology affected provision of the service delivery as indicated by 57% of the population, the level of training affected service delivery as shown by 97% of the population, inadequate supply of equipment also affected service delivery and also the style of management affected the delivery services by increasing the number of customers served daily. The study was a descriptive survey with a target population of 96. Njoroge (2013), in his study in hotel

industry in Kenya found out that salaries or remuneration, working conditions and level of training affected service delivery. the study had a descriptive research design with a target population of 140. questionnaires were used. Chi-square test was used to establish the relationship between variables. Ledgerwood (2000) agreed by saying that there is a direct relationship between workers performance and salaries paid out in desktop type of study using only secondary data. On the other hand, Gesare, Elagwa and Kwasira (2016) pointed out that rewards and recognition affected service delivery positively. Their study design was descriptive survey with a population of 170 state corporations. questionnaires were used. Multiple regression was used in data analysis (Sciedu, 2016).

Wanjau (2012) did a study on the factors affecting provision of service quality in public health sector. a case of Kenyatta Hospital. Descriptive survey design was used with a target population of 1031. It established that lower employee capacities resulted to a decline in provision of quality services. Equally the study found out that low adoption of technology lowered the quality of service and customer satisfaction. Serdar (2014), on the other hand in his study pointed out that workforce cluster of skills, competencies, experiences and the work management cluster of communication between parties affected positively the service delivery. The study was a desktop one using only secondary data. Ngorobi (2015) agrees with Serdar(2014) by bringing out the fact that institutional characteristics affects service delivery. They are the skills and competencies possessed, level of professionalism, workers attitudes and perceptions and finally the incentives in place. The study used mixed methods with a target population of 111. It was equally a case study

Qadeer (2013), in her study in the banking industry established that communication, employees' attitudes and level of education affected delivery of services greatly by increasing customer care activities and accountability. The design used was qualitative

method. Interviews and questionnaires were all used. Jasim (2012) on the other hand, did a study on the factors influencing customer satisfaction and continuity to deal with e-banking services in Jordan. Survey design was used on a target population of 441. It established in his study that personal factors that include level of education, experiences, attitudes and trust affected service delivery. Equally the study pointed out that adequate provision of physical facilities led to a positive influence on service delivery. The research also underscored the role of leadership provision in service delivery.

From the literature reviewed personal factors influenced service delivery. Reviewed studies for example that of (Kobia and Mohammed, (2006; Pollit, 1988; Obong'o ,2009; Therkildsen ,2001; Githiri, 2015; Muthiu, 2014) demonstrate that personal factors led to increased service delivery, customer satisfaction and accountability. Qadeer (2013) established that personal factors led to increased customer care activities and accountability. From the study therefore its evident that there is a relationship between personal factors and service delivery. From the literature reviewed earlier, performance contracting had mixed results on service delivery, an indication of the presence of a moderator. No study has been carried out to establish if personal factors moderate the relationship between performance contracting and service delivery which this study sought to establish.

Equally moderation on service delivery delved on other factors and not personal factors as moderators, for instance, Njoroge (2015) in the study to find out the moderating influence of performance contracting on the relationship between strategy implementation and performance of state corporation in Kenya, established that the moderating effect was negative an indication that there was a disconnect between performance contracting and strategy implementation. Cross sectional design was used and the target population was 108 state corporations. Questionnaires were used and the hierarchical regression was used in the

analysis. Jacob(2015) in their study they looked at monitoring and evaluation skills, performance contracting systems and organizational performance in Government Ministries in Kenya. The study was a descriptive survey with a target population of 276. multiple regression was used in data analysis. The findings of their study showed that monitoring and evaluation skills moderated the relationship between performance contracting systems and organizational performance and therefore the study recommended that implementers of performance contracting systems should be equipped with monitoring and evaluation skills. Gichovi (2013) in his study, he established that organizational climate did not moderate the relationship the organizational factors of performance. The study design was descriptive survey where the target population was stratified. Regression analysis was done to show moderation. Equally the Republic of Kenya (2013) in a report of the presidential task force, they established that organizational climate did not moderate the relationship between performance management initiatives and service delivery in state corporations in Kenya while on the other hand, Oluoch (2014) established in his study that employee engagement did not moderate the relationship between strategic planning and organizational performance. The descriptive design was used with a target population of 86 where census applied. regression was done to test for moderation

The studies reviewed shows that personal factors indeed have a positive relationship with service delivery and also the studies on moderation have not looked at personal factors as a moderator between performance contracting and service delivery but instead, they looked at other variables. Given the fact that the studies returned mixed results on the relationship between performance contracting and service delivery indicating further there are moderators yet to be tested. This study therefore seeks to look at personal factors as moderating the relationship between performance contracting and service delivery

2.13.3 Resource Factors and Service Delivery

Studies have been carried out around resource factors and various outcome variables. Lings (2005) in his study that was exploratory in nature where secondary data was used, it was found out that the acquired personnel status led to an improvement in human resource performance, flexibility in task allocation, and management effort (Republic of Kenya, 2005). It is important in the process of planning that people are given jobs in areas where they have a specialization in. Employees are likely to be more productive in jobs they know about and which are their area of specialization. Lings (2005) avers those scholars and potential employers have often missed out on the need to focus more on internal employees' needs, and more so, the role they play in interacting with customers. In pointing out this, Lings emphasized the significance of management efforts and human resources.

Omari, Onyango and Yobes (2013) did a study on the evaluation of the effect performance contracting on organizational performance. A case of operations of the ministry of housing headquarters Nairobi, Kenya. The research design was cross sectional with a target population of 256. questionnaires were used and descriptive statistics were used in analysis. The study established that performance contracting fails to realize its intentions of ensuring that services delivered are of the right qualifications if there is lack of adequate resources, untimely release of the required resources. Equally rampant and unorganized transfers of staff is another factor that hinders performance contracting and also service delivery. the study further pointed that salaries and other benefits contributed to achievement of performance contracting and service delivery. training was noted as another factors that influences performance contracting

Kobia (2006) pointed out that training is key to realizing performance contracting and service delivery. The study equally established that Ghana has had a successful implementation of performance contracting due to the dialogue and stakeholder

participation and involvement. The study had a descriptive research design where questionnaires were used. The population was 280 senior officers picked purposively. While Nair and Chand (2004) in their study they established that education, training, work experience and work environment influenced performance contracting and service delivery positively. The study was exploratory using secondary data . Haris (2003) agrees by saying training and development of any kind helps to shape and direct behaviour of employees to become more productive thereby realizing performance contracting an service delivery. Therkildsen (2001) maintains that the key aspect for successful implementation of performance contracting are worker involvement, motivation and rewards. This was in their study that was exploratory with secondary data being used

Mwangi (2017) on the other hand in his study, he pointed out that capacity building in terms of training and development affects performance contracting and service delivery. Equally upgrading and promotions are key together with merit recruitment to realizing performance contracting. Kimnyak (2012) study design was descriptive survey with a population of 600. Pearson correlation coefficient and linear regression were used to analyze data. The study stressed the need for training of workers to enhance performance contracting. Wesonga (2015) also agrees with other studies that workers training and participation in performance contracting process influences realization of performance contracts. Kemboi (2016) in his study on employee commitment, a case of vocational training Centre Sikri, Kenya, He also established that employee commitment influenced positively the productivity of workers and performance contracting which in turn enhanced service delivery. The design used in this study was cross sectional with a population of 107

Muriithi (2019) in her study on factors influencing implementation of performance contracting in public secondary schools, she concluded that consistency in provision of

funds, information communication, use of technology and adequate allocation of funds influenced performance contracting and service delivery. The study design used was that of descriptive design and the population of 23 schools was considered. Descriptive statistics were used in data analysis. Damanpour and Schneider (2006) concluded that education is crucial for it makes workers receptive to new ideas which becomes a fertile ground. The study was a survey with a population of 725. Questionnaires were used and descriptive statistics were used in the analysis

Lings (2005) argued that it was wrong to ignore the contributions made by frontline employees who by interacting with customers were critical to organizational performance. The argument posited was that attitudes held by such employees define the behaviour they elicit towards customers and the ultimate perceptions of the customers to the entity in question. It was therefore incumbent among managers to create mechanisms through which to motivate employees with a view to improving their attitude and behaviour, and by extension enhance provision of services. Lings (2005) established that effective execution of performance contracting spurs satisfaction and commitment among the staff. Consequently, use of a strategy that leans to internal markets was found to be consistent with external and internal performance of organizations. Lings (2005) therefore contended that it was upon industries involved in service delivery to put in place strategies that promote human resource management if they have to survive, grow and register high profits.

Kobia and Mohammed (2006) established through their study that, the use of consultants to develop contract plans caused public enterprises to fail to develop the essence of ownership, commitment and enthusiasm that goes with successful implementation of performance contracts. Indeed, Musa (2001) asserts that in spite of the fact that consultants, advisors and experts are knowledgeable, being outsiders, sometimes they lack the know-how of the

intricate socio-political environment that inform specific notions and may not capture all required expectations in the performance contract. The performance contract implementation in Kenya could also be suffering from the misfortunes echoed by the two studies leading to the failure of Performance contracts to meet its envisaged objectives. The study had a correlation design and a target population of 276. regression was done to show relationship between variables

Wangari (2014), in the study on citizen satisfaction in Murang'a County established that, the rate at which the finances were flowing, and timely transfers were facilitators of delivery of services. She also pointed out that citizen participation in decision making influenced service delivery. Equally the study noted that rampant corruption and lack of accountability affected the provision of service delivery. This was a case study that utilized regression analysis

Mwangi (2013) in his study on leadership development strategies at Kenya National Hospital, established that resource allocation in the budget affected the ability and pace of strategic plan implementation and the same was the service delivery. Abas, Munga and Were (2017) agreed with the above study but added that there is significant relationship between organizational culture, organizational structure, organizational leadership, workers attitudes, rewards and service delivery in an organization. This study used mixed methods and had a population of 166. Questionnaires were used and multiple regression applied in the analysis Reza and Chattoo (2009) on the other hand, appreciated the complexity in public service and established in their study that communication had a significant relationship with performance and service delivery. Their study used descriptive cross sectional design with a target population of 2392. correlation analysis was done to show relationships between variables

Harris & Leni (2013), in their study on finding solutions, they found out that credibility of political communication affects service delivery and so is the strength of oversight systems to help maintain level of performance. The research also established that the degree of coherence policies and process for implementation affects the delivery of services. The study was purely exploratory design using secondary data.

AI (2013) points out that lack of adequate resources stalls projects and slows down performance and service delivery. Further, (Denrell, 2010; Sugarman, 2010) said that resources such as brand name, internet usage, skilled personnel, capital and efficient procedures are needed for realization of a higher service delivery. Equally, Ogola and Nzulwa (2018) pointed out that service delivery was greatly affected positively by the availability of adequate resources, employee involvement in decision making, clear rules and regulations. Descriptive design was used with a population of 409. Questionnaires were used. In agreement with this study is Fausiya and Mauia (2019) indicated that financial resources had a significant positive effect on devolved service delivery. Their research had a blended design having a target population of 384. Regression was used on data analysis

Mutiso (2013), in the study carried out Taita Taveta county on service delivery, noted that quality of services delivered linked positively with human resources recruitment and selection but not on the efficiency of the services offered. The study was a survey also established that employee safety and clear policies are essential in-service delivery. Osman (2014), in the study on local authorities in Malaysia, pointed out that simplifying of rules and regulations led to increase in delivery of services. The study also brought out the fact that training on customer care increased on service delivery.. The study was a case study with population of 270 and regression was used. Equally important was the fact that

continuous quality management through quality cycle and continuous monitoring and measurement of performance enhanced delivery of services. Mwangi(2014) in his study, he identified documentation and communication as factors that affects performance contracts and service delivery. This was survey study that used descriptive statistics

Maina(2017) in his study, he found out that budgeting, stakeholder participation practices and regulatory practices had a positive significant effect of service delivery. This study was a descriptive one. Survey was utilized with a population of 248. Correlation and regression were used in data analysis. While Republic of Kenya (2007) had the view that lack of revenue and inadequate budget allocations affected service delivery in health sector. On the other hand, Sifuna (2012) established that rules and regulations applied directly affects efficiency and effectiveness and ultimately the quality of services offered in an exploratory research. Maguigui (2013) in his study he also brought out the fact that lack of working resources hampers service delivery and hence organizations should watch over it. Further, Ngugi and Titany(2012) in their study, they noted that service delivery is affected by the use of computers and internet, service standards including having open channels of communication and employee wellbeing. Their study was descriptive and had 130 as population and regression was used on data analysis. But for Tilas (2014), the financial rate of flow as well as timely transfers positively and significantly affected service delivery. The other factor was participation in the meeting thereby referred to as involvement in decision-making

From the empirical studies reviewed resource factors influences service delivery and performance. Reviewed studies such as the ones by (Kobia and Mohammed, 2006; Lings ,2005; Mugumbi, 2014;, Wangari, 2014; Harris and Leni, 2013; Mutiso, 2013; Osman, 2014) demonstrates increase in the delivery of services and as a consequence, heightened

performance. Mwangi(2013) pointed out that budget allocation affects service delivery. This was in agreement by studies done by (Denrel, 2010; AI, 2013; Sugarman, 2010; Ogola 2018), who indicated that adequate resources positively affected service delivery. On the other hand, Reza and Chattoo (2009) brought out the fact that communication channels present affected service delivery positively. This was also shared by Mwangi (2014) who added documentation as a factor for service delivery. Maina (2017) added another of stakeholder participation while Sifuna (2012) listed rules and regulations as factors that affects service delivery.

From the literature reviewed, resource factors enhance the delivery of services to citizens. It is therefore apparent that resource factors spur delivery of services. From the literature reviewed performance contracting had mixed results on service delivery, an indication of the presence of a moderator. No study has been carried out to establish how resource factors could moderate the relationship between performance contracting and services delivery which this study sought to establish. Moderation studies on service delivery did not include resource factors but handled other variables. Ndubai (2019) for instance in their study on the moderating effect of global competitiveness on the relationship between performance contracting and measurement and public service delivery in Kenya, established that global competitiveness has a weak positive relationship with customer satisfaction but did not moderate the relationship between performance contracting, measurement and public service delivery in Kenya. Muruiki (2019) while studying on the role of performance contracting on strategy implementation in commercial state corporations in Kenya, pointed out that policies and regulations had a moderating effect on the relationship between performance contracting and strategy implementation. Samson (2015) in their study found out that service failure did not moderate the relationship between service quality and customer satisfaction while Onsongo (2018) pointed out in his study that top management

characteristics moderated the relationship between management development practices and service delivery.

The studies reviewed shows that resource factors indeed have a positive relationship with service delivery and the studies on moderation has no looked at resource factors as a moderator between performance contracting and service delivery but instead, they looked at other variables. Given that fact the studies returned mixed results on the relationship between performance contracting and service delivery indicating further there are moderators yet to be tested. This study therefore seeks to look at resource factors as moderating the relationship between performance contracting and service delivery

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was adopted in the study including the philosophy of the study, research design, study area, data sources and collection methods, methods of data processing, analysis and presentation and the ethical considerations

3.2 Philosophy of the Study and Research Design

3.2.1 Philosophy of the Study

Prior to deciding on the ideal research design, the three main philosophical paradigms that anchor research designs were first examined in order to settle on the appropriate one. Research philosophy relates to dictates and beliefs about knowledge which individuals hold (Baskarada and Koronios, 2018). It is argued that such beliefs which are commonly known as paradigms have the capacity to influence the preferred design for research (Kivunja and Kuyini, 2017). Research philosophies often give opposing world views and, in so doing, act as guides to individual researchers' decision making. Several Research philosophies that guide selection of research designs have been identified (Creswell,2014).

Pragmatism is identified as a philosophy which does not rely on antecedent conditions but rather, arises out of situations, actions and consequences (Creswell, 2014). Under this philosophical paradigm, the research problem is perceived as the emphasis. Consequently, researchers have wider latitude of using all approaches that can address the problem. In essence, under pragmatism, the world is not absolute and truth relates to that which will work all the time (Creswell, 2014). Pragmatists are therefore not committed to the use of one system of reality, and opt for mixed methods research. Although this paradigm could have been employed in this study, the existence of antecedent conditions in the form of

performance contracting phases that had the potential to impact directly on service delivery, made it to be unsuitable for this study.

The second paradigm known as interpretivism, argues that knowledge pertaining to social and human sciences is distinct from knowledge used in physical sciences (Hammersley, 2013). Hammersley contends that humans have the power to interpret their world, and then act on the basis of such interpretations. Therefore, under this world view, different individuals will tend to have multiple interpretations to a single phenomenon. According to Creswell (2014), this philosophical assumption leans towards the qualitative approach to research which gives an incisive and deeper understanding to the given phenomenon. The diversified nature of experiencing and perceiving the world presents the advantage of describing humans, events or objects while at the same time being able to understand them from a social context. While this would have been a suitable philosophical framework to underpin this study, the mere fact that potential performance contracting stages were already identified and only needed to be manipulated to see their impact on service delivery implied that a quantitative approach was more ideal.

The positivism philosophical assumption on the contrary claims that there exists absolute knowledge that cannot be manipulated (Hammersley, 2013). Hammersley argues that an understanding of phenomena in reality ought to be measured and supported by empirical evidence. Positivism focuses more on causal inferences realized through quantitative approaches. In seeking to establish the effect of performance contracting on service delivery in Huduma centres, this study made the assumption that the performance contracting phases could be independently manipulated to lead to diverse effects on service delivery in Huduma centres. The study was therefore anchored on the positivist research philosophy.

3.2.2 Research Design and Paradigm

On the basis of this positivist lineage, this study adopted the ex post facto design. According to Sharma, 2017 and Cohen, Manion, and Morrison, 2007), This type of design is a non-experimental that is used to investigate causal relationship. Its where the investigation is on testing of the hypothesis about cause- and -effect relationships. It starts with the observation and examination of facts that took place naturally and then explores the causes behind the evidence selected for analysis (Salkind, 2010). In this, the dependent variable(fact or effect) is examined retrospectively to identify the possible causes and the relationship between dependent variable and one or more independent variables(Salkind, 2007).The Choice of this design for this study was informed by the understanding that besides being a causal-inference design which fits in the positivist philosophy, it was more suitable in a situation such as that in this study where participants were not be randomly assigned but were defined by the characteristic that they were staff in the existing Huduma centres (Gujarati, 2007; Robson, 2011; Creswell and Plano, 2014)

Creswell and Plano (2014) argue that two main paradigms exist that are applicable in research; quantitative and qualitative. The quantitative paradigm is termed the traditional and positivist. The present research adopted the quantitative paradigm, and since the cause-and-effect relationship between quantitative variables is sought. A cross sectional survey is the most common method of study for it collects data from a sample that has been drawn from a fixed population. The information is collected at just one point in time. Cross sectional survey method helps to generate hypotheses and examines multiple characteristics at the same time with no loss to follow-up. A census which is after the entire population is preferred. (Levin 2006)

3.3 Study Area

The study was performed in Huduma Centres drawn from the expansive western Kenya

region. These are Centres which have been in existence for now more than eight years. They include: Kisii, Kisumu, Kakamega, Eldoret and Nakuru. Western Region comprise of former Nyanza, Western and Rift Valley provinces. Nyanza province in 2009 census had a population of 4,392,199 and occupies 16,162 km of land with the economic activity being farming of maize and sugar cane. Western province on the other hand, by 2009 census had a population of 3,358,776 and occupies 8,361km of land with the capital city being Kakamega. The main economic activity is maize and sugarcane farming while Rift valley province by 2009 census had a population of 10,006,805 and occupies 182,505km of land with Nakuru as its capital city. Maize and tea farming emerge as the main economic activities in the Rift. Therefore, the Western region has a combined population of 17,757,780. The high population influenced choosing of this region for this study

3.4 Target Population

Target population is defined as that set of individuals, objects and events for which the study should be generalized (Mugenda and Mugenda, 2003). Mugenda and Mugenda argue that this group of individuals often shares similar characteristics. The study therefore targeted all public service employees of Huduma Centres in Western Kenya. At the inception of Huduma centres in 2013, only 10 centres were opened namely: Nairobi, Machakos, Embu, Nakuru, Kakamega, Kisumu, Kisii, Nyeri, Mombasa and Eldoret. For this study 5 centres in Western Kenya were picked that had been in operation for about seven years. Western Kenya included formerly Nyanza, Western and Rift Valley provinces. These centres registered the highest number of customer complaints and long queues on the services that was occasioned by the explosion of high number of citizens who got excited that now the services are available in their areas and not in Nairobi. This saw high number seek services. The information was contained in an internal evaluation report by the Ministry Interior and

Co-ordination of National Government (Republic of Kenya, 2018). The target population was 276 permanent employees. Huduma centres have two categories of workers namely: those in managerial positions and those who are not in managerial positions. For instance, every Centre has one Centre Manager and one Assistant Centre Manager. The rest are those employees who are representing their departments and manages the departmental functions at their various desks. They fall in the category of non-managerial staff and each office has a clerk and secretary

Table 3.1: Target Population

| HUDUMA CENTRE | SECTIONS /DESKS | POPULATION | HUDUMA CENTRE | POPULATION | HUDUMA CENTRE | POPULATION | HUDUMA CENTRE | POPULATION | HUDUMA CENTRE | POPULATION | TOTAL |
|---------------|-----------------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|------------|
| KISII | | | KAKAMEGA | | KISUMU | | ELDORET | | NAKURU | | |
| | NRB | 4 | | 4 | | 5 | | 4 | | 3 | 20 |
| | NSSF | 3 | | 3 | | 3 | | 3 | | 3 | 15 |
| | NHIF | 3 | | 3 | | 5 | | 3 | | 3 | 17 |
| | POLICE | 5 | | 5 | | 5 | | 5 | | 5 | 25 |
| | HELB | 3 | | 3 | | 3 | | 3 | | 2 | 14 |
| | CIVIL REGISTRATION | 3 | | 3 | | 4 | | 4 | | 3 | 17 |
| | LABOUR | 2 | | 3 | | 3 | | 2 | | 2 | 12 |
| | ICT | 6 | | 6 | | 6 | | 6 | | 6 | 30 |
| | KNHRC | 2 | | 2 | | 3 | | 3 | | 2 | 12 |
| | POSTA | 3 | | 3 | | 4 | | 4 | | 4 | 18 |
| | PENSION | 2 | | 2 | | 3 | | 2 | | 2 | 11 |
| | EACC | 2 | | 3 | | 5 | | 5 | | 3 | 18 |
| | STATE LAW DESK | 2 | | 2 | | 4 | | 3 | | 2 | 13 |
| | AGPO | 2 | | 2 | | 4 | | 3 | | 3 | 14 |
| | LANDS CENTRE | 4 | | 4 | | 4 | | 4 | | 4 | 20 |
| | MANAGER | 1 | | 1 | | 1 | | 1 | | 1 | 5 |
| | DEPUTY CENTRE MANAGER | 1 | | 1 | | 1 | | 1 | | 1 | 5 |
| | SECRETARY & CLERK | 2 | | 2 | | 2 | | 2 | | 2 | 10 |
| | TOTAL | 50 | | 52 | | 65 | | 58 | | 51 | 276 |

Source: HRMRecords (2016)

3.5 Sampling

3.5.1 Sampling Technique

The study used complete census and therefore 276 respondents were considered in the study. Census is where every unit of the population is studied and because the population was heterogeneous. Census was used together information about every individual in the study. Census sampling was used in order to minimize the selection bias.

3.6 Data Methods

3.6.1 Types and Sources of Data

Primary sources were utilized in this study. Primary sources were mainly in form of questionnaires and were employed to gather data related to performance contracting and service delivery.

3.7 Measurement of Variables

A variable is that thing that is controlled, measured or manipulated in research. It is a measurable characteristic which varies. A variable is any entity that can take on different values. Measurement is the assignment of numerals to objects or events according to rules. The measurement scale used in the study was ordinal Likert scale. Ordinal scale is where the respondents show their feelings like being in agreement or disagreement while Likert scale indicates uni-dimensional in nature meaning the concept being measured is in one dimension. The items are ordered ranging from the least to the satisfied (Sarantakos,2005). Four measurement scales were used in the study in line with the one independent variable, two moderating variables and the one dependent variable.

The variables were defined and operationalized as summarized in Table 3.2.

Table 3.2 Variable Measurement

| Variable | Nature of Variable | of | Indicators | Scale |
|-------------------------|---------------------------|-----------|--|-------------------------|
| Performance Contracting | Independent | | <input type="checkbox"/> Target setting <input type="checkbox"/> Target negotiation <input type="checkbox"/> Draft vetting <input type="checkbox"/> Performance evaluation | Ordinal: Likert type |
| Resource factors | Moderating | | <input type="checkbox"/> budget <input type="checkbox"/> communication channels <input type="checkbox"/> rules and regulations <input type="checkbox"/> employee involvement | Ordinal: Likert type |
| Personal factors | Moderating | | <input type="checkbox"/> working conditions <input type="checkbox"/> education level <input type="checkbox"/> remuneration <input type="checkbox"/> management style <input type="checkbox"/> worker perceptions | Ordinal: Likert type |
| Service delivery | Dependent | | <input type="checkbox"/> customers served <input type="checkbox"/> reduced complaints <input type="checkbox"/> Revenue <input type="checkbox"/> Consistence <input type="checkbox"/> accountability | Ordinal: Likert type |

Source: William (2020)

3.8 Data Collection Procedure

The researcher sought a letter from Maseno University before proceeding to collect data. Furthermore, permission from Huduma Centre headquarter in Nairobi was sought before proceeding to the field. Equally a research permission and permit from NACOSTI to carry out research was granted. The questionnaire was utilized as the main data collection approach. Five research assistants were trained to assist in questionnaire administration and collection. The questionnaires were dropped and picked later by the research assistants after being filled by the respondents during working hours.

3.9 Instrument for Data Collection

The questionnaire was the central tool employed in this study. Choice of the questionnaire was based on its comprehensive nature. The questionnaire was critical in obtaining primary data from respondents and was structured in a way to capture data on all variables. It contained closed-ended questions to capture incisive views of respondents. The main advantage of using closed ended questionnaires is that they make it easy to analyze for they are already in a usable form (Orodho, 2005). Data for this study were both qualitative and quantitative in nature. Besides, the questionnaire focused questions on specificities required by the study, and hence enabled the researcher to be in control.

The questionnaire had four sections. Section A helped get information on employees' profile which included: level of education and experiences. Section B helped collect data on performance contracting factors at Huduma Centres. Section C sought information on resource factors at Huduma Centres. Section D got data on personal factors at Huduma Centres while Section E had data on service delivery factors at Huduma Centres.

3.10 Validity and Reliability of the Instruments

3.10.1 Validity

Data collection instruments were validated in terms of the suitability of design and structure (face validity) and the scope of variable coverage with verifiable evidence from literature (content validity). Validity is perceived as extent to which collected data reflects the phenomenon under study (Mugenda et al., 1999). It has also been defined as the representativeness of a construct devoid of systematic errors (Robson, 2011). Validation of a measurement scale such as those in the questionnaire may be done in form of face, criterion, content, and construct validation (De Vaus, 2002). By choosing face validity, the researcher

assumed that through the assistance of supervisors, the design and structure of the tools as per face value was suitable.

On the contrary, content validity was employed for purposes of ascertaining that the scope of the required variables was covered by the tools, and the same could be backed by existing literature (Sekaran, 2000). As observed by De Vaus (2002), construct validity relates to the level to which the instrument's items agrees with relevant theoretical constructs of the study. Items were carefully developed in order to represent the underlying dimensions of performance contracting, service delivery, resource factors and personal factors. Experts were therefore asked to peruse through the items and verify whether the required variable content scope had been covered, which they did. Having factored the comments and concerns of the experts, 41 items were produced and customized to cover the main concepts (variables) of the study.

3.10.2 Reliability Tests

According to Sekaran (2000), reliability test measures the degree to which the approach used for data measurement repeatedly delivers the same results. Reliability is perceived as a measure of how dependable or consistent an instrument is in measuring the variable under study (Neuman, 2007). Consequently, the reliability of the Huduma Centre employees' questionnaire was ascertained by measuring internal consistency of the various items on the four variables under study. The questionnaire was piloted on fifteen employees of Kenya power. The choice of Kenya power for piloting the questionnaire was based on two reasons. First and foremost, Kenya power is a public company which has adopted performance contracting, and offers services similar to those offered in Huduma Centre's. Secondly, there was need to minimize threats to internal validity such as maturation, which could occur by exposing the questionnaire to potential respondents if other Huduma Centre's would have

been used for piloting. The Cronbach’s alpha reliability test for internal consistency was then used to examine reliability of each of the four scales.

All items measuring the various constructs were subjected to reliability check. The Cronbach’s reliability index was employed with a cut off at an alpha $\alpha= 0.70$. Cronbach’s coefficient has been recommended by Nunnally (1978) as a good indicator of reliability. Variables with low reliability were deleted to increase the overall reliability of the research instrument to be utilized in the main research. Reliability test for performance contracting had an alpha value of $\alpha=0.835$. For service delivery, an alpha value of $\alpha= 0.814$ was obtained. While for the case of resource factors and personal factors, an alpha coefficient of $\alpha=0.785$ and $\alpha=0.843$ were obtained respectively. The mean reliability for the entire 41 items was at $\alpha= 0.819$. All Alpha values were more than the acceptable of 0.60 (Bagozzi and Yi,1988) and above a minimum 0.70 level recommended by Nunnally (1978) for measurement instruments thereby indicating good stability. The reliability results are presented in Table3.3.

Table: 3.3: Analysis of Internal Consistency

| Constructs | No. of items | Cronbach’salpha |
|-------------------------|---------------------|------------------------|
| Performance Contracting | 9 | 0.835 |
| Service Delivery | 10 | 0.814 |
| Resource Factors | 11 | 0.785 |
| Personal Factors | 11 | 0.843 |
| Mean Reliability | 41 | 0.819 |

Source: Pilot Survey, (2019)

3.11 Data Analysis and Presentation

Data were analyzed in compliance with due procedures of quantitative and qualitative data analysis. The collected data were therefore first screened and cleaned for missing data and outliers. This was subsequently followed with a descriptive analysis that explored the prevailing status of the variables under study within the study context. The final phase of data analysis was regression to determine the direct and moderation effects using the statistical package for social sciences (SPSS)

3.12 Data Cleaning

Data were first screened and cleaned for presence of missing values and outliers. Missing values are known to be a common feature in social science research of this nature (Baraldi & Enders, 2010). According to them, factors such as respondents' refusal to respond to sensitive issues and natural attrition are major reasons for missing data. Although missing values may be probed using various techniques (Tabachnick & Fidell, 2013; Polit & Beck, 2012), missing data patterns was the criterion of analysis of missing values in this data. This approach has been employed successful in other studies (Baraldi & Enders, 2010). Under this approach, the researcher assumed that missing data were missing at random (MAR), and therefore cases with less than 5% data missing could have data replaced using hot deck imputation as postulated by Myers (2011). Univariate outliers were explored in this study. Outliers have previously been defined as scores which differ markedly from others on single or multiple variables (Masconi et al, 2015). Univariate outliers were explored using box and whisker plots which according to Banacos (2011) are useful in indicating whether a distribution is skewed, while at the same time pointing out any potential unusual observations (outliers)

3.13 Descriptive Data Analysis

Descriptive analysis focused on exploring factor structure in the performance contracting variable, and to explore the prevailing status of the study variables in the context of Huduma Centre's in Kenya. This was achieved by using percentage response scores together with associated item means and standard deviations. Mean scores were used to report typical responses among participants while standard deviations reflected the consistency in the response scores. The data was presented by use of tables

3.14 Inferential Analysis

Inferential analysis was conducted by use of hierarchical regression to specifically model direct effect and moderation effects respectively. Prior to running the moderation, the assumptions of regressions were first tested. These included: normality tests, linearity tests, autocorrelation and multicollinearity tests.

3.15 Model Formulation and Estimation

3.15.1 Testing for Direct Effects

Direct effects were examined in relation to performance contracting and service delivery using hierarchical regression and the model is given as:

Model 1: To determine the relationship between performance contracting and service delivery among Huduma Centres

$$Y_i = \alpha + \beta_1 X_i + \epsilon_i \dots \dots \dots \text{Equation 4.1}$$

Where;

Y= is the vector representing service delivery measures including; number of customers served, reduction in complaints, revenue collected, consistency and accountability

X =is the vector representing performance contracting measures such as target setting, target negotiation, draft vetting, and performance evaluation

β_1 = is the regression coefficient representing the effect of performance contracting on

service delivery.

ϵ =error term assumed to be normally distributed with a mean of zero and constant variance

3.15.2 Testing for Moderation Effects

Two moderation models were formulated in line with the two implementation variables which are resource factors and personal factors respectively

Model 2: To establish the moderating influence of resource factors on the relationship between performance contracting and service delivery among Huduma Centres

$$Y_i = \alpha + \beta_1 X + \beta_2 R + \beta_3 XR + \epsilon \dots \dots \dots \text{Equation 4.2}$$

Where

Y_i = is service delivery measured as earlier stated in equation 4.1

X = is performance contracting measured as stated in equation 4.1

R = is the vector representing resource factors measured through budget, communication channels, rules and regulations, and employee involvement

β_1 = is the regression coefficient of the predictor variable

β_2 = is the regression coefficient of the moderator variable

β_3 = the interaction effect of the predictor and moderator terms

ϵ - error term assumed to be normally distributed with a mean of zero and constant variance.

Model 3: To establish the moderating influence of personal factors on the relationship between performance contracting and service delivery among Huduma Centres

$$Y_i = \alpha + \beta_1 X + \beta_2 P + \beta_3 XP + \epsilon \dots \dots \dots \text{Equation 4.3}$$

Where Y_i =Service delivery

X =is Performance contracting

P = is the vector for personal factors measured through working conditions, educational level,

remuneration, management style, and worker perceptions

β_1 = is the regression coefficient of the predictor variable

β_2 =is the regression coefficient of the moderator variable

β_3 = the interaction effect of the predictor and moderator terms

ϵ =error term assumed to be normally distributed with a mean of zero and constant variance

3.16 Diagnostic Tests

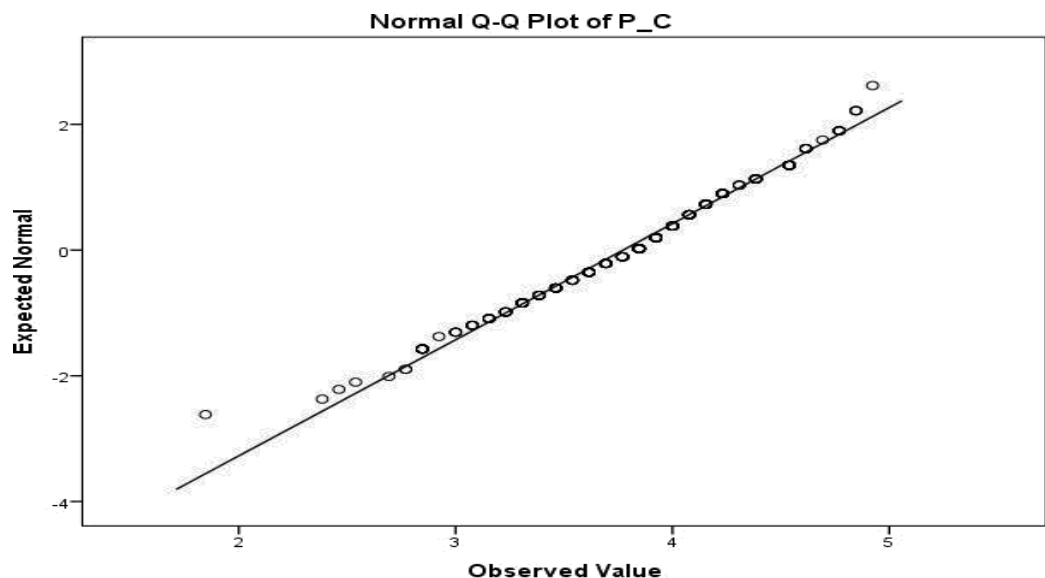
The study employed regression analysis as its principal inferential technique for testing postulated relationships. First to be tested were direct effects that PC occasions on delivery of services among Huduma centres. Next hierarchical multiple regressions were utilized to test potential influences of PC and resource and personal factors on the delivery of services. In this case then, five assumptions required for multiple regressions to be performed were tested.

3.16.1 Testing Normality of Data Distributions

Many statistical techniques work on the assumption that distributions have a normal distribution with a known mean and variance (Garson, 2012). Although several techniques exist which can be used to examine normality of data distributions. Loy, Follett and Hofmann (2015) point out that formal goodness fit tests such as Kolmogorov-Smirnoff and Shapiro- Wilk are not able to identify non-normal features of distributions as would graphical approaches. The quantile-quantile (Q-Q) plots were therefore used to examine normality of data distributions in each of the four variables.

3.16.2 Normality of the Performance Contracting Variable

Rank ordered values of the performance contracting variable were plotted against expected normal distribution values of the variable (Loy *et al.* 2014). Results presented in Figure 3.1 show that plotted data largely followed a diagonal line produced by a normal distribution. A few data points on the extremes indicated a slight curved pattern that did not however interfere with normality assumptions. Normality requirement for performance contracting variable was met.



**Figure 3.1 Normality on Performance Contracting Source:
Field Data (2019)**

3.16.3 Normality of the Resource Implementation Factors Variable

The plot of the rank ordered values of the resource factors variable constructed against the expected normal distribution revealed that the rank ordered values largely followed the diagonal line, except one data point on the lower extreme (Figure 3.2) Normality was therefore assumed for the resource factors variable.

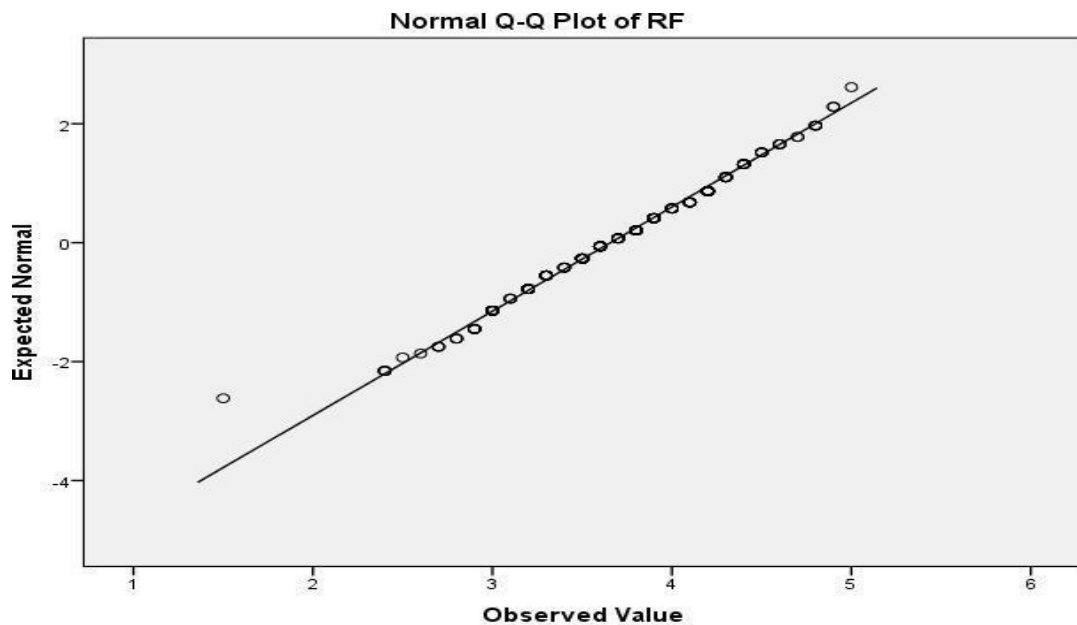


Figure 3.2 Normality on Resource Factors Source:

Field Data (2019)

3.16.4 Normality of the Personal Implementation Factor Variable

Rank ordered values of the personal implementation factors variable were plotted against the expected normal distribution values. Results revealed that dots stayed close to the diagonal line, except for a few points on both extremes (Figure 3.3). Curved patterns were therefore minimally experienced at the extremes. Normality assumption was however met for the personal factor's variable.

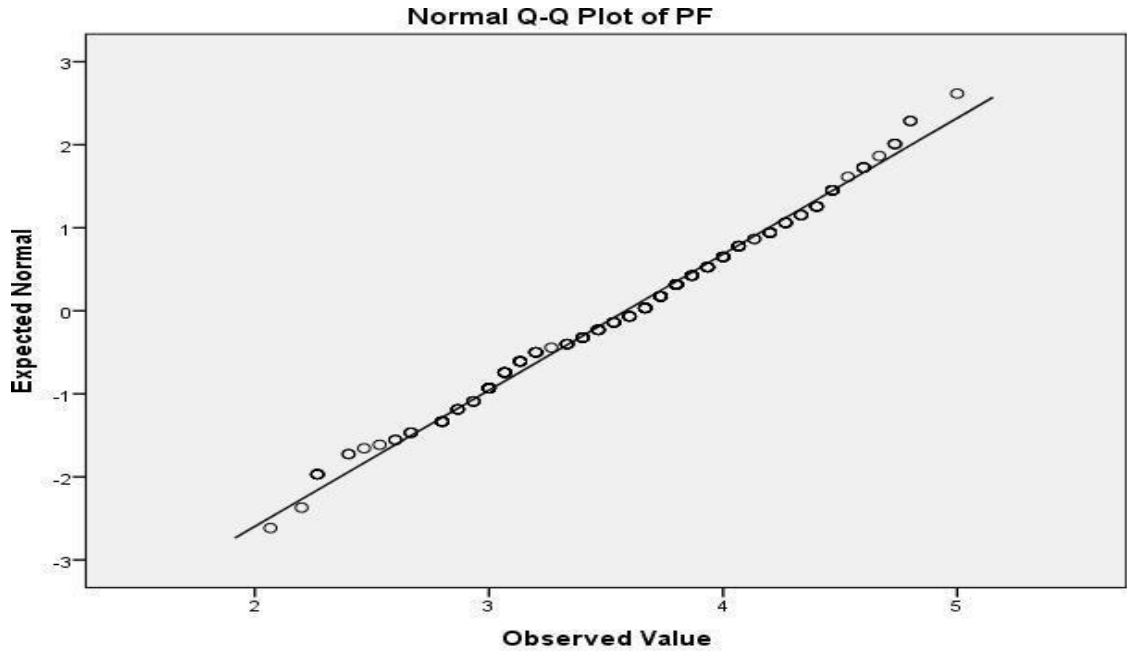


Figure 3.3 Normality on Personal Factors , Source: Field Data (2019)

3.16.5 Normality Test for Service Delivery

The plot of the rank ordered values of the service delivery construct against the expected normal distribution yielded data points that closely followed the diagonal line except one data point at the upper extreme (figure 3.4). The implication is that there was a slight positive skew, but otherwise normality assumption was met.

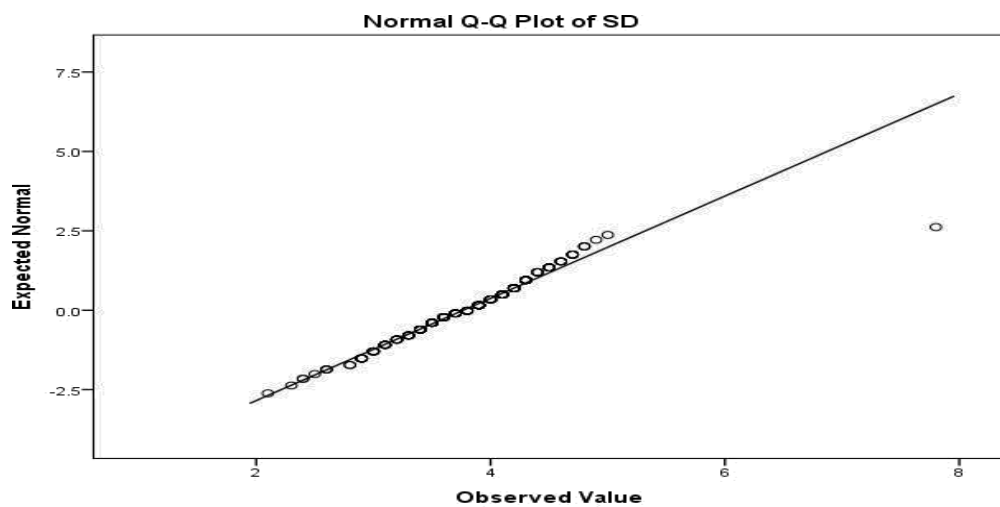


Fig. 3.4 Normality on Service Delivery

Source: Field Data (2019)

3.16.6 Testing for the Linearity Assumption

Regression analysis is conducted on the premise that independent variables were related with the dependent variable(s) in a linear manner, in which case a straight line would be the best fitting function representing a scatter plot. The study used the bivariate scatter plot to explore the nature, degree, and direction of linearity in the distribution. Tabachnick and Fidell (2013), aver that a bivariate scatter plot is preferable than the Pearson correlation since it captures more aspects of the relationship. In this bivariate scatter plot approach, elliptical plots were deemed to signify existence of linearity. Figure 3.5 indicates that the scatter plots were all elliptical in nature, therefore affirming that linearity requirement was not violated.

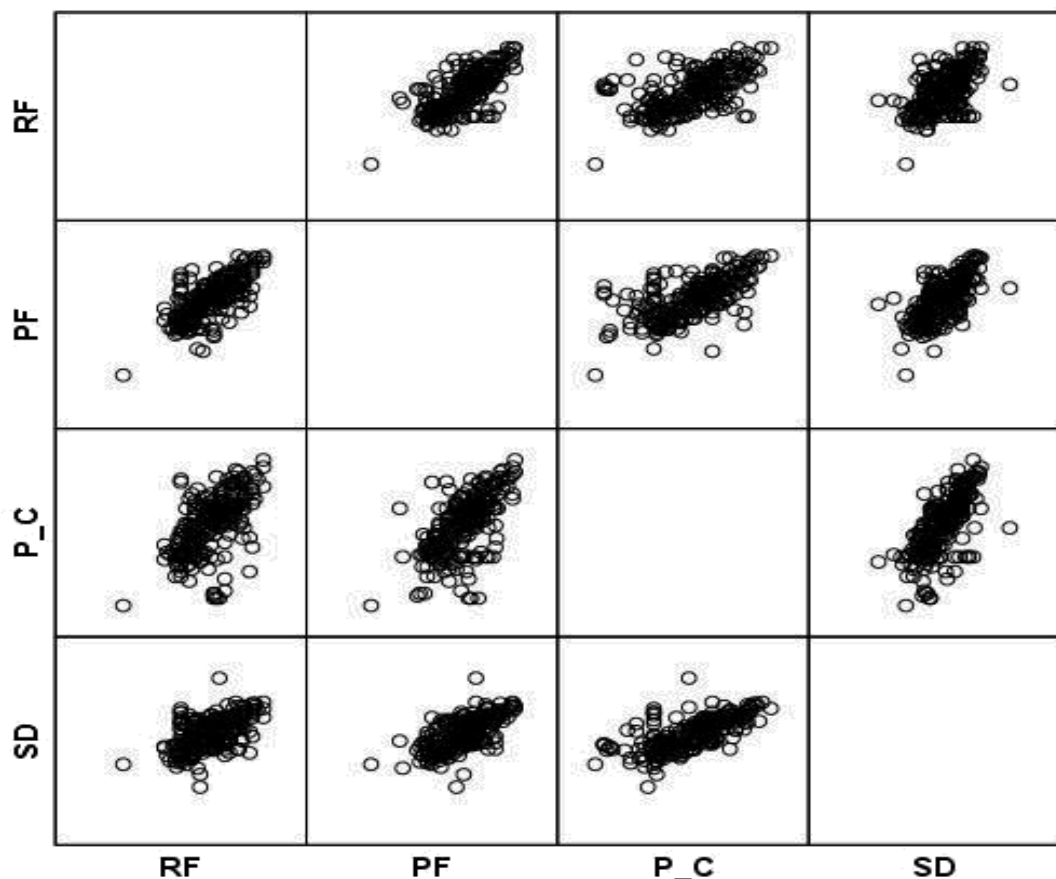


Figure 3.5 Linearity Assumptions

RF-Resource factors; PF-Personal factors; P_C-Performance contracting; SD- Service delivery

Source: Field Data (2019)

3.16.7 Testing for Homogeneity of Variances

Homogeneity of variances was tested using the Levene statistic, which tests equality of variances. Tabachnick and Fidell, (2013) note that Homogeneity of variances is the assumption that scores in one continuous numerical variable are roughly the same at all values of another continuous variable. Homogeneity of variances test was run on the one independent variable and the two moderating variables. Using the 5% level of significance, the study tested the premise that the variance in the three variables was the same across gender. Results revealed that the Levene statistics for each of the three variables were not significant (Table 3.4). This implied that Homogeneity of variances assumption was upheld.

Table 3.4 Test of Homogeneity of Variances

| | Levene Statistic | df1 | df2 | Sig. |
|------------------|------------------|-----|-----|------|
| Resource Factors | .194 | 1 | 224 | .660 |
| Personal Factors | .474 | 1 | 224 | .492 |
| PC | .556 | 1 | 224 | .457 |

Source: Field Data (2019)

3.16.8 Testing for Multicollinearity

Multicollinearity was tested using the Statistics-Collin command in SPSS. Tabachnick and Fidell (2013) define multicollinearity as the correlation matrix that occurs when explanatory variables are highly correlated within themselves. Results of the collinearity diagnostics (Table 3.5) confirmed that none of the dimensions (rows) had more than one variance proportion in excess of 0.50. Multicollinearity was therefore not evident and the assumption was upheld.

Table 3.5 Collinearity Diagnostics

| Mode | Dimension | Eigenvalue | Condition Index | Variance Proportions | | | |
|------|-----------|------------|-----------------|----------------------|------------------|------------------|-----|
| | | | | (Constant) | Resource Factors | Personal Factors | PC |
| 1 | 1 | 3.850 | 1.000 | .00 | .01 | .00 | .00 |
| | 2 | .114 | 5.809 | .00 | .57 | .05 | .03 |
| | 3 | .020 | 13.857 | .23 | .13 | .92 | .28 |
| | 4 | .016 | 15.526 | .77 | .29 | .02 | .68 |

**a. Dependent Variable:
Service Delivery Source:
Field Data (2019)**

3.16.9 Testing for Autocorrelation

A test of autocorrelation aims at ensuring that regression errors are independent of each other (Hair *et al.*, 2010; Stevens, 2009). Independence of errors estimates the contributions of independent variables to changes in the dependent variable. The Durbin-Watson statistic was used to test independence of errors in the present study. It is noted that a Durbin-Watson statistic value in the range 1.5 to 2.5 indicates lack of autocorrelation (Verbeek, 2012). As indicated in Table 4.16, all the three explanatory variables had Durbin-Watson statistics in the range 1.5 to 2.5, an indication that regressions residual were independent of each other.

Table 3.6 Test of Autocorrelation

| <u>Variable</u> | <u>Durbin-Watson</u> |
|-------------------------|----------------------|
| Performance contracting | 1.921 |
| Resource factors | 1.992 |
| Personal factors | 1.913 |

Source: Field Data (2019)

3.17 Research Ethics

The study was conducted in adherence to ethical rules and principles that govern research by obtaining the research permit and certificate from National Commission for Science technology and innovation before proceeding. Consequently, the researcher went ahead to collect data only after securing informed consent from potential participants. Potential participants were briefed on the reason for the research, and were assured of their confidentiality and anonymity. They were therefore reminded to feel free to withdraw if they needed to. During the course of collecting data, participants' privacy was respected and no harm was visited upon them. Their names were not printed anywhere on the questionnaire to preserve their anonymity. They were assured of sharing the outcomes of the research study whenever they were interested.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This study focused on the determination of the relationship between performance contracting and service delivery in Huduma Centres in Kenya, under the moderating influence of implementation factors (Personal and resource factors). The chapter shows preliminary results: response rate, missing data and outliers. The chapter reports results of the demographic profile of employees, descriptive statistics related to the variables and results of hypotheses tests.

4.2 Preliminary Results

4.2.1 Response Rate

Response rate was examined in order to confirm that the proportion of responses made was representative of the population, and could inform decisions on the link performance contracting and service delivery. Out of a sample of 276 employees of Huduma Centres, 250 returned their questionnaires. The overall response rate was 90.5%. Basing on the recommendations by Draugalis, Coons and Plaza (2008) which held the view that response rates of approximately 60% and above are ideal, this response rate was found to be suitable for the purposes of the study.

4.2.2 Missing Data

Missing data were examined using the missing completely at random (MCAR) technique. It is argued that missing values are common in social science research and leads to a loss of statistical power needed for accurate decision making (Masconi, Matsha, Erasmus & Kengne, 2015). Baraldi and Enders (2010) contend that missing values may be a result of fatigue, refusal by respondents to answer questions touching on sensitive issues, and questions on social phenomena. By using the MCAR technique, it was assumed that events leading to missing data were independent of observable and unobservable parameters and occurred

entirely at random (Polit & Beck, 2012). Under this approach, cases with missing data in the excess of 5% (Alison as cited in Hair et al., 2010) were deleted. Missing data were therefore examined using the SPSS Missing Value Analysis (MVA) command. Eleven cases 63 (Table4.1) were found with missing data in the excess of 5% (cases 17, 3, 105, 4,34, 13, 37, 172, 194, 9, 161) and were deleted from further analysis. Missing data in cases with less than 5% missing were replaced using series means.

Table 4.1 Missing Patterns (cases with missing values)

| Case | # Missing | % Missing |
|------|-----------|-----------|
| 8 | 1 | 2.3 |
| 14 | 1 | 2.3 |
| 30 | 2 | 4.7 |
| 121 | 2 | 4.7 |
| 15 | 1 | 2.3 |
| 47 | 1 | 2.3 |
| 78 | 1 | 2.3 |
| 39 | 1 | 2.3 |
| 83 | 1 | 2.3 |
| 87 | 1 | 2.3 |
| 91 | 1 | 2.3 |
| 95 | 1 | 2.3 |
| 111 | 1 | 2.3 |
| 159 | 1 | 2.3 |
| 116 | 1 | 2.3 |
| 166 | 1 | 2.3 |
| 201 | 1 | 2.3 |
| 156 | 1 | 2.3 |
| 232 | 1 | 2.3 |
| 235 | 1 | 2.3 |
| 158 | 2 | 4.7 |
| 152 | 2 | 4.7 |
| 17 | 3 | 7.0 |
| 3 | 5 | 11.6 |
| 105 | 4 | 9.3 |
| 4 | 7 | 16.3 |
| 34 | 8 | 18.6 |
| 13 | 9 | 20.9 |
| 37 | 6 | 14.0 |
| 172 | 9 | 20.9 |
| 194 | 9 | 20.9 |
| 9 | 18 | 41.9 |
| 161 | 18 | 41.9 |

Source: Field Data (2019)

4.2.3 Outliers

Aguinis *et al.* (2013) identify outliers as cases with extreme values. It is noted that such cases may occur on one variable in which case they are known as univariate outliers, or they may occur on a combination of variables in which case they are multivariate outliers.

Univariate outliers were examined for each of the variables using box and whisker plots. Dawson (2011) observes that box and whisker plots are useful in indicating whether a distribution is skewed, while at the same time pointing out any potential unusual observations (outliers). Besides, Dawson points out that when the number of observations is very high, as was the case in the present study, box plots are certainly very useful. The SPSS Descriptive Statistics–Explore command was used to generate box plots from which outliers were identified. In each variable, outliers were shown as numbered cases beyond lower and upper whiskers.

4.2.3.1 Performance Contracting

Performance contracting was conceptualized as the independent variable and was measured using nine questionnaire items. The box plot for performance contracting revealed that cases 8, 57, and 181 were outliers (Figure 4.1). These cases were therefore deleted from further analysis.

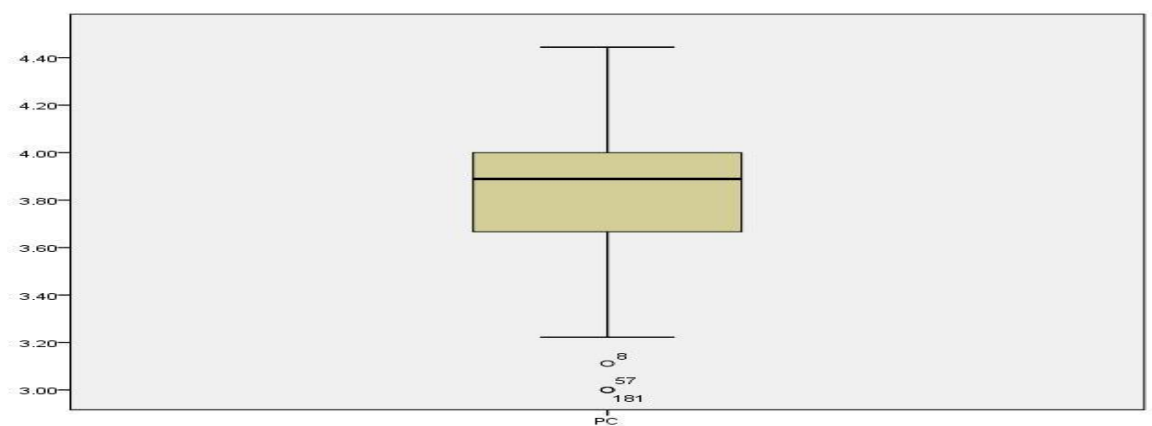


Figure 4.1 Performance Contracting Outliers

Source: Field Data (2019)

4.2.3.1.1 Performance Contract Implementation

Performance contract implementation was conceptualized as a factor that potentially moderates the relationship between performance contract and service delivery in Huduma centers. It was measured using two indicators namely; resource factors and personal factors.

4.2.3.2 Resource Factors

Resource factors represented the first facet of performance contract implementation and were measured using eleven items. As shown in Figure 4.2, there were three outliers in response scores for resource factors (Cases 17, 47 and 84). The three cases were also deleted from further analysis.

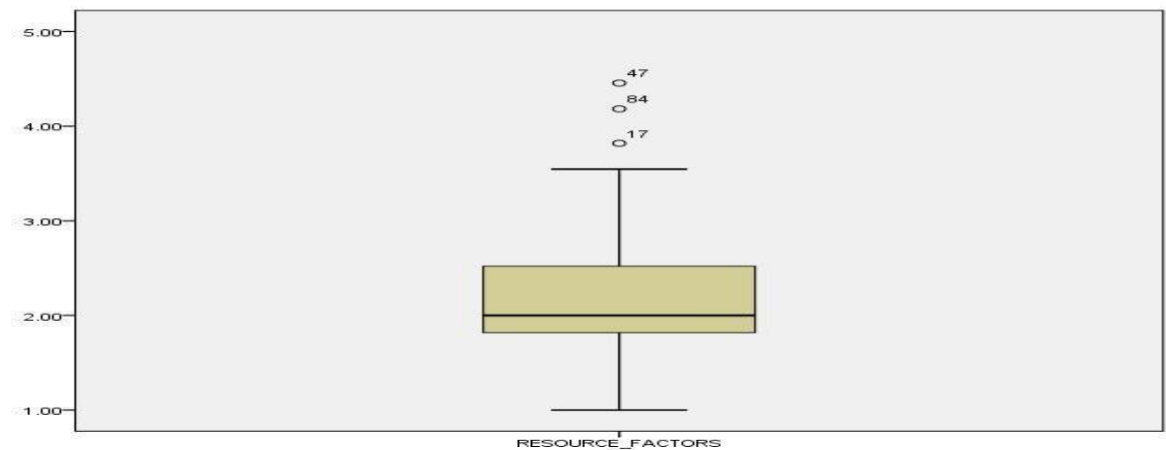


Figure 4.2 Resource Factors Outliers
Source: Field Data (2019)

4.2.3.3 Personal Factors

Personal Factors were considered as the second facet of performance contract implement, which had the potential to influence the relationship between performance contracting and service delivery. Eleven items were also used to measure potential personal factors inherent in Huduma Centre's. Personal factors had four outliers in cases 17, 47, 57 and 154 (Fig. 4.3). The four cases were accordingly deleted from further analysis.

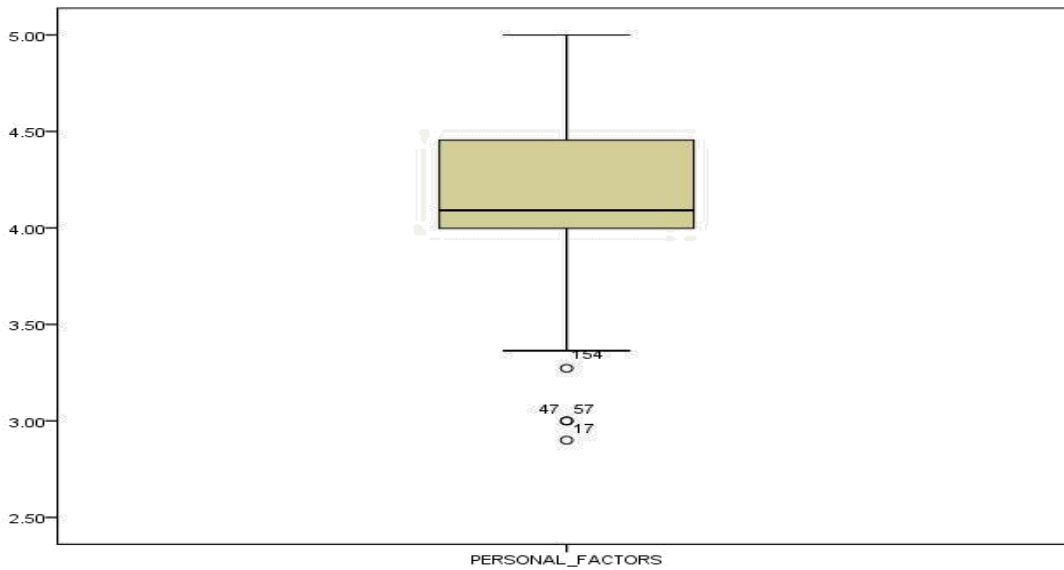


Figure 4.3 Personal Factors Outliers
Source: Field Data (2019)

4.2.3.4 Service Delivery

Service delivery was conceptualized as the dependent variable in the present study, and was measured using nine items that reflected the number of customers served, revenue collection; complain channels, bureaucracy, consistency, and accountability among other service needs. Examination of outliers in service delivery revealed that case 109 was an outlier (Figure 4.4). The case was deleted from further analysis.

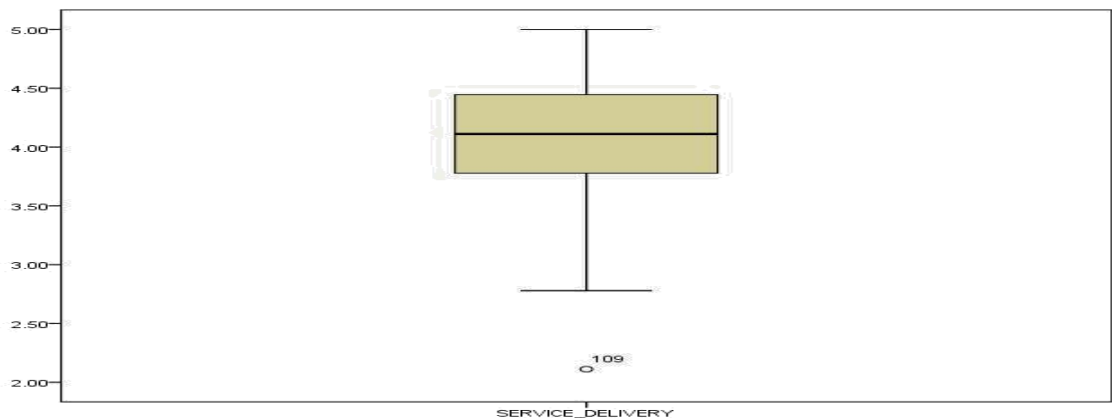


Figure 4.4 Service Delivery Outliers
Source: Field Data (2019)

A total of eight distinct univariate outliers (cases 8, 17, 47, 57, 84, 109, 154 and 181) were therefore identified in the four research constructs, and were deleted leaving 226 cases for further analysis.

4.2.3.5 Detecting Multivariate Outliers

Multivariate outliers were detected using the Mahalanobis (D^2) distance statistic.

Garson (2012) argues that the Mahalanobis distance represents the squared distance from the centroid of a data set thereby indicating cases that are outliers on a set of variables. Cases with highest Mahalanobis D-square values and with probabilities of less than 0.001 were therefore considered to be multivariate outliers. Results presented in Table 4.2, which is a screen shot of the first twenty-three probabilities of Mahalanobis distances sorted in ascending order, reveal that there were only two multivariate outliers, that is (1 & 2). The two were deleted, leaving a total of 226 cases that were used in subsequent analysis.

Table 4.2 Multivariate Outliers

| | MAH_1 | P_Mah_1 |
|----|--------|---------|
| 1 | .02770 | .00010 |
| 2 | .07639 | .00071 |
| 3 | .09116 | .00101 |
| 4 | .17476 | .00360 |
| 5 | .18959 | .00422 |
| 6 | .19046 | .00426 |
| 7 | .22796 | .00602 |
| 8 | .26442 | .00801 |
| 9 | .42474 | .01960 |
| 10 | .45024 | .02184 |
| 11 | .45525 | .02229 |
| 12 | .45782 | .02252 |
| 13 | .51146 | .02762 |
| 14 | .59867 | .03679 |
| 15 | .61652 | .03879 |
| 16 | .67456 | .04557 |
| 17 | .72830 | .05221 |
| 18 | .78454 | .05949 |
| 19 | .81613 | .06373 |
| 20 | .86245 | .07012 |
| 21 | .86952 | .07111 |
| 22 | .90299 | .07587 |
| 23 | .92573 | .07916 |

Source: Field Data (2019)

4.3 General Profile of Respondents

General information of employees drawn from Huduma Centres was solicited from section A of the questionnaire. The general information was examined in terms of gender, level of education, and working experience. Previous studies have shown that demographics such as gender, level of education and experience tend to influence customer satisfaction in service industries, in which Huduma centers fall (Wilkin, 2010; Petrovic *et al.*, 2014; Xu & Li, 2016). It was therefore incumbent upon the researcher to examine the distribution of these characteristics in order to highlight their possible influence on final results of the study.

An analysis of Huduma Centre employees' general profile revealed the following information. A majority of employees (63.3%) serving at Huduma Centre were female, most of them (46.5%) had first degrees while 10.2% had post graduate degrees. The work experience distribution appeared to be balanced across the given brackets with 24.8% having an experience of 1 to 3 years; 31% with an experience of 4 to 7 years; 30.1% an experience of 8 to 11 years, and 14.2% having an experience of over 12 years (Table 4.3).

Table 4.3 Demographic Characteristics

| Characteristic | Category | n | % |
|-----------------------|---------------------|----------|----------|
| Gender | Male | 83 | 36.7% |
| | Female | 143 | 63.3% |
| Level of education | Primary | 0 | 0.0% |
| | Secondary | 23 | 10.2% |
| | Diploma | 74 | 32.7% |
| | Degree | 105 | 46.5% |
| | Postgraduate degree | 24 | 10.6% |
| Working experience | 1-3 years | 56 | 24.8% |
| | 4-7 years | 70 | 31.0% |
| | 8-11 years | 68 | 30.1% |
| | above 12 years | 32 | 14.2% |

Source: Field Data (2019)

4.4 Descriptive Analysis of Study Variables

The study utilized means and standard deviations to explore the variables under study in terms of their prevailing status in Huduma centres in Kenya. Response scores to questionnaire items were captured on a 5-point scale. Response scores were ordinal in nature, and ranged from strong disagreement to strong agreement. The scores were however transformed into a continuous scale with the following intervals; [0, 1.5); [1.5, 2.5); [2.5, 3.5); [3.5, 4.5); [4.5, 5]. The five intervals denoted strong disagreement, disagreement, not sure, agreement, and strong agreement respectively. The continuous scale was deemed necessary for interpreting means and standard deviations.

4.4.1 Performance Contracting Among Huduma Centres

The first objective of the study sought to establish the relationship between performance contracting and service delivery in Huduma Centres. Prior to establishing this effect, it was first necessary to explore the factor structure of performance contracting among the Huduma Centres under investigation. The study utilized means and standard deviations to explore the variables under study in terms of their prevailing status in Huduma centres in Kenya. Response scores to questionnaire items were captured on a 5-point scale. Response scores were ordinal in nature, and ranged from strong disagreement to strong agreement. The scores were however transformed into a continuous scale with the following intervals; [0, 1.5); [1.5, 2.5); [2.5, 3.5); [3.5, 4.5); [4.5, 5]. The five intervals denoted strong disagreement, disagreement, not sure, agreement, and strong agreement respectively. The continuous scale was deemed necessary for interpreting means and standard deviations.

Table 4.4 Performance Contracting in Huduma Centres

| | Strongly disagree | | Not sure | | Agree | | Strongly agree | | M | SD | | |
|---|-------------------|-------------|-----------|-------------|-----------|--------------|----------------|--------------|-----------|--------------|-------------|-------------|
| | N | % | n | % | N | % | n | % | | | | |
| Accurate identification of performance targets done. | 19 | 8.4% | 14 | 6.2% | 12 | 5.3% | 133 | 58.8% | 48 | 21.2% | 3.78 | 1.108 |
| There was timely negotiation of the targets | 13 | 5.8% | 16 | 7.1% | 36 | 15.9% | 126 | 55.8% | 35 | 15.5% | 3.68 | 1.009 |
| Timely vetting of performance contracts | 17 | 7.5% | 17 | 7.5% | 66 | 29.2% | 91 | 40.3% | 35 | 15.5% | 3.49 | 1.080 |
| Performance contracts were signed | 11 | 4.9% | 13 | 5.8% | 57 | 25.2% | 99 | 43.8% | 46 | 20.4% | 3.69 | 1.016 |
| Submission of performance reports | 8 | 3.5% | 15 | 6.6% | 43 | 19.0% | 103 | 45.6% | 57 | 25.2% | 3.82 | 1.000 |
| Reviewed performance contract targets | 10 | 4.4% | 14 | 6.2% | 33 | 14.6% | 118 | 52.2% | 51 | 22.6% | 3.82 | .995 |
| Implementation, evaluation, moderation and ranking of performance | 7 | 3.1% | 9 | 4.0% | 45 | 19.9% | 108 | 47.8% | 57 | 25.2% | 3.88 | .938 |
| Public announcement of performance results done | 18 | 8.0% | 17 | 7.5% | 45 | 19.9% | 97 | 42.9% | 49 | 21.7% | 3.63 | 1.141 |
| Review of performance contract guidelines | 13 | 5.8% | 15 | 6.6% | 28 | 12.4% | 113 | 50.0% | 57 | 25.2% | 3.82 | 1.064 |
| Overall usage of PC | 5 | 2.2% | 15 | 6.6% | 32 | 14.2% | 150 | 66.4% | 24 | 10.6% | 3.77 | .813 |

Source: Field Data (2019)

Table 4.4 below indicated that the overall mean response score (M=3.77) together with the associated standard deviation (SD=0.813) indicated that respondents agreed that various performance contracting practices were being put to use in Huduma Centres. The small magnitude of the standard deviation confirms that employees were consistent in their agreements. On the overall, 66.4% of the employees agreed that the identified PC practices were in place, while 10.6% strongly agreed. Specifically employees noted that accurate identification was done (M=3.78, SD= 1.108), there was timely negotiation of the targets = 3.68, SD= 1.009), timely vetting of performance contracts (M=3.49, SD=1.080), performance contracts were signed (M=3.69, SD=1.016), submission of performance reports (M= 3.82, SD= 1.000), reviewed of PC targets (M=3.82, SD=0.95); implementation, evaluation,

moderation and ranking of performance (M=3.88, SD=0.938); submission of PC reports (M=3.82, SD=1.000); public announcement of performance results (M=3.63, SD=1.141) and review of PC guidelines (M=3.82, SD=1.064) were among the PC practices that employees highly agreed with their usage in Huduma Centres.

The implication of these results is that Huduma Centres in Kenya are keen on pursuing required practices in performance contracting by adhering to several aspects of PC. This no doubt portends well for Huduma Centres operations. Evidence shows that use of performance contracts while bearing in mind due processes increases operational autonomy and induces development of internal structures of the agency (Moy, 2005). Besides, Trivedi (2007) contends that performance contracts if properly pursued improves public enterprise accountability and performance.

The finding that Huduma centres in Kenya participate in performance management through performance contracts shows the commitment to provide services commensurate with expectations of the public. This is consistent with findings by Nguthuri, Maringa and George (2013) that performance contracts tend to increase service delivery; as well as lead to increased efficiency and effectiveness in realizing the standards set.

4.4.2 Resource Factors Experienced in Huduma Centres

The second objective examined how resource factors moderated the link between performance contracting and service delivery in Huduma Centres in Kenya.

Table 4.5 Resource Factors experienced at Huduma Centres

| | Strongly disagree | | Disagree | | Not sure | | agree | | Strongly agree | | M | SD |
|--|--------------------------|--------------|-----------------|--------------|-----------------|--------------|--------------|-------------|-----------------------|-------------|-------------|-------------|
| | N | % | n | % | n | % | n | % | n | % | | |
| Contract properly executed | 49 | 21.7% | 120 | 53.1% | 23 | 10.2% | 22 | 9.7% | 12 | 5.3% | 2.24 | 1.065 |
| Availability of open communication 55 | | 24.3% | 129 | 57.1% | 21 | 9.3% | 15 | 6.6% | 6 | 2.7% | 2.06 | .917 |
| Enough office space for Serving | 68 | 30.1% | 96 | 42.5% | 28 | 12.4% | 19 | 8.4% | 15 | 6.6% | 2.19 | 1.152 |
| Availability of computer | 75 | 33.2% | 108 | 47.8% | 25 | 11.1% | 11 | 4.9% | 7 | 3.1% | 1.97 | .959 |
| Adequate budget for the Centre | 49 | 21.7% | 80 | 35.4% | 64 | 28.3% | 18 | 8.0% | 15 | 6.6% | 2.42 | 1.114 |
| Right for Employees involvement in target setting | 59 | 26.1% | 92 | 40.7% | 37 | 16.4% | 17 | 7.5% | 21 | 9.3% | 2.33 | 1.208 |
| Specific policies given by the government | 51 | 22.6% | 116 | 51.3% | 31 | 13.7% | 16 | 7.1% | 12 | 5.3% | 2.21 | 1.041 |
| Access of relevant Information | 73 | 32.3% | 117 | 51.8% | 12 | 5.3% | 12 | 5.3% | 12 | 5.3% | 2.00 | 1.035 |
| Presence of rules and regulations to govern administration of the PCs | 53 | 23.5% | 126 | 55.8% | 27 | 11.9% | 11 | 4.9% | 9 | 4.0% | 2.10 | .949 |
| Approachable Leaders Availability of a policy on monitoring and measurement of Performance | 64 | 28.3% | 115 | 50.9% | 23 | 10.2% | 13 | 5.8% | 11 | 4.9% | 2.08 | 1.025 |
| | 66 | 29.2% | 103 | 45.6% | 26 | 11.5% | 23 | 10.2% | 8 | 3.5% | 2.13 | 1.058 |
| | | | | | | | | % | | | | |
| Overall Availability of Resources | 26 | 11.5% | 149 | 65.9% | 39 | 17.3% | 9 | 4.0% | 3 | 1.3% | 2.18 | .733 |

Source: Field Data (2019)

Resource factors commonly associated with Huduma Centres were therefore first explored. The overall mean response score in Table 4.5, together with the associated standard deviation (M=2.18, SD=0.733) indicated a consistent disagreement among Huduma Centre employees that resources were available for seamless implementation of the PC to realize service delivery.. Proportion-wise, 65.9% of the employees disagreed that resources were available while 11.5% strongly disagreed. Employees specifically noted that there were issues with contract being properly executed (M=2.24, SD=1.065),availability of open channels of communication (M=2.06, SD=0.917); enough office space for serving (M= 2.19, SD= 1.152), computer availability (M=1.97, SD=0.959); adequate budget for the Centre (M=2.42, SD= 1.114), right for employees involvement in target setting (M= 2.33, SD=1.208), specific rules given by government (M=2.21, SD=1.041),access of relevant information (M=2.00, SD=1.035);rules and regulations to govern administration of PCs (M= 2.10, SD=0.949), approachable leaders (M=2.08, SD=1.025) and availability of a policy on monitoring and measurement of performance(M= 2.13, SD=1.058).

The descriptive statistics from Table 4.5 above indicates that the 65.9% of the respondents disagreed on existence of the listed resources at Huduma Centres where a further 11.5% strongly disagreed. This therefore means that resources are indeed not adequately provided for the functioning of Huduma Centres in Western Kenya hence hampering delivery of services

The implication of these results is that Huduma Centres in Western Kenya are facing challenges of resources required to help realize the desired service delivery. Inability to execute the contract properly is no doubt due to lack of space, channels of communication, inept leadership/management, lack of continuity in monitoring and measurement of performance, and poor cascade of the PC. The bottom line is that despite designing

appropriate performance contracts, Huduma Centres are constrained by resource factors when it comes to implementation. Indeed, Lings (2005), points out that resource especially human, are central to employees' productivity since they elicit commitment and satisfaction among them.

4.4.3 Personal Factors that Influence Implementation of Performance Contracting

Through the third objective, the researcher investigated the role that personal factors play in moderating performance contracting and delivery of services among Huduma centres in Kenya. First and foremost, typical factors that constitutes personal factors among employees in the context of Huduma centres, and which have potential to influence performance contract implementation were explored. Eleven items were used to explore the nature of personal factors presenting in Huduma centres. Through different levels of agreement or disagreement, factors were assessed on their propensity to improve implementation of performance contracting

Table 4.6 Personal Factors experienced at Huduma Centres

| | SD | | Disagree | | Not sure | | agree | | S A | | M | SD |
|--|----------|-------------|-----------|-------------|-----------|--------------|------------|--------------|-----------|--------------|-------------|-------------|
| | N | % | N | % | N | % | n | % | N | % | | |
| Level of education and training enhanced | 15 | 6.6% | 25 | 11.1% | 12 | 5.3% | 127 | 56.2% | 47 | 20.8% | 3.73 | 1.112 |
| Suitable transfers of Staff | 11 | 4.9% | 30 | 13.3% | 22 | 9.7% | 83 | 36.7% | 80 | 35.4% | 3.85 | 1.184 |
| Enhanced work skills and experience | 12 | 5.3% | 21 | 9.3% | 15 | 6.6% | 96 | 42.5% | 82 | 36.3% | 3.95 | 1.132 |
| Suitable working Environment | 13 | 5.8% | 18 | 8.0% | 25 | 11.1% | 67 | 29.6% | 10 | 45.6% | 4.01 | 1.1873 |
| Positive Employee relationship with the management | 11 | 4.9% | 23 | 10.2% | 33 | 14.6% | 63 | 27.9% | 96 | 42.5% | 3.93 | 1.190 |
| Positive workers attitude and beliefs | 10 | 4.4% | 23 | 10.2% | 29 | 12.8% | 91 | 40.3% | 73 | 32.3% | 3.86 | 1.114 |
| Right perceptions towards adoption of PC | 15 | 6.6% | 19 | 8.4% | 49 | 21.7% | 77 | 34.1% | 66 | 29.2% | 3.71 | 1.168 |
| Suitable management style used by Managers | 14 | 6.2% | 14 | 6.2% | 30 | 13.3% | 89 | 39.4% | 79 | 35.0% | 3.91 | 1.133 |
| Suitable in Position held | 10 | 4.4% | 15 | 6.6% | 23 | 10.2% | 94 | 41.6% | 84 | 37.2% | 4.00 | 1.069 |
| Adoption of use of internet | 13 | 5.8% | 18 | 8.0% | 22 | 9.7% | 85 | 37.6% | 88 | 38.9% | 3.96 | 1.152 |
| Give rewards and punishment for results | 22 | 9.7% | 14 | 6.2% | 22 | 9.7% | 89 | 39.4% | 79 | 35.0% | 3.84 | 1.245 |
| Overall Perceptions | 6 | 2.7% | 15 | 6.6% | 28 | 12.4% | 124 | 54.9% | 53 | 23.5% | 3.90 | .925 |

Source: Field Data, (2019)

Table 4.6 above has established that the overall mean response score together with the associated standard deviation (M=3.90, SD=0.925) indicated that employees in Huduma Centres in Kenya were in agreement that the selected personal factors were crucial for the implementation of performance contracts. Respondents particularly pointed at, level of education and training enhanced (M=3.72, SD=1.112), a Suitable transfers of staff (M= 3.85, SD=1.184), enhancement of work skills and experience (M=3.95, SD=1.132); suitable working environment (M=4.01, SD=1.187); positive employee relationship with management (M= 4.01, SD= 1.190), positive workers attitudes and beliefs (M= 3.86, SD= 1.114), rights perceptions towards adoption of PC (M= 3.71, SD= 1.168), suitable management style use by workers (M= 3.91, SD = 1.133), suitable in position held (M=4.00, SD=1.069); use of internet (M=3.96, SD=1.152); and relationships between employees and the management (M=3.93, SD=1.190) as personal factors that are very necessary for service delivery

The implication of these results is that employees' personal factors are key facets in the implementation of performance contracts. Indeed, personal factors have been identified in the literature as key impediments to performance contract implementation. Omboi and Messah (2011) for instance argue that personal factors such as lack of awareness and training; resistance to change, and inadequate consultation pose challenges to the implementation of performance contracts. The finding showing that employees in Huduma Centres are aware of such factors is therefore significant in the sense that if these factors are taken care of, service delivery at these centres will no doubt be satisfactory. This therefore confirms that personal factors have potential to influence the relationship between performance contracting and service delivery. Besides, it has also been noted that factors such as political interference, lack of commitment during evaluation and lack of involvement of the citizens are in the realm of personal factors that can influence

performance contracting implementation (Kogei, Magugui & Chebet, 2013).

4.4.4 Service Delivery in Huduma Centres

Service delivery was conceptualized as the dependent variable in this study. Service delivery in Huduma Centres in Kenya was measured using nine indicators focusing on the number of customers served; reduction in public complaints, increased revenue collection, access to complain channels, relatedness of service to customers, reduction in bureaucracy, consistency stability in service, and accountability.

Table 4.7: Service Delivery experienced at Huduma Centres

| | Strongly Disagree | | disagree | | Not sure | | agree | | Strongly agree | | M | SD |
|---|-------------------|-------------|----------|-------------|--------------|------------|--------------|-----------|----------------|-------------|-------------|----|
| | N | % | n | % | N | % | n | % | n | % | | |
| Big number of customers Served | 16 | 7.1% | 17 | 7.5% | 4.4% | 114 | 50.4% | 69 | 30.5% | 3.90 | 1.133 | |
| Reduction in public Complaints | 10 | 4.4% | 22 | 9.7% | 6.6% | 80 | 35.4% | 99 | 43.8% | 4.04 | 1.138 | |
| Increased revenue Collection | 12 | 5.3% | 12 | 5.3% | 12.8% | 88 | 38.9% | 85 | 37.6% | 3.98 | 1.095 | |
| Access to complain Channels | 8 | 3.5% | 19 | 8.4% | 18.6% | 89 | 39.4% | 68 | 30.1% | 3.84 | 1.059 | |
| Relatedness of the service to customers | 11 | 4.9% | 13 | 5.8% | 15.9% | 104 | 46.0% | 62 | 27.4% | 3.85 | 1.042 | |
| Reduction in bureaucracy | 7 | 3.1% | 22 | 9.7% | 24.3% | 77 | 34.1% | 55 | 24.3% | 3.58 | 1.176 | |
| Consistency | 9 | 4.0% | 8 | 3.5% | 14.2% | 103 | 45.6% | 74 | 32.7% | 4.00 | .987 | |
| Stability of service | 9 | 4.0% | 8 | 3.5% | 11.1% | 89 | 39.4% | 95 | 42.0% | 4.12 | 1.011 | |
| Accountability | 11 | 4.9% | 11 | 4.9% | 6.6% | 89 | 39.4% | 10 | 44.2% | 4.13 | 1.063 | |
| Overall Perceptions | 7 | 3.1% | 6 | 2.7% | 14.2% | 132 | 58.4% | 49 | 21.7% | 3.93 | .861 | |

Source: Field Data (2019)

Respondents were asked to indicate their agreement or disagreement on whether the selected indicators have shown an improvement in Huduma Centres in Kenya. The overall response score Table 4.7 above indicated that most employees (80.1%) were of the view that services in Huduma Centres had improved (M=3.93, SD= 0.861). It shows that the respondents agreed (M=3.93) that services had improved and the low standard deviation (SD=.861) shows that the respondents were consistent in their agreement. Respondents were particularly in agreement with accountability in service delivery (M=4.13, SD=1.063), this results consistent in agreements; stability of service (M=4.12, SD=1.011), this indicates that respondents consistently agreed that there was stability in service delivery; reduction in public complaints (M=4.04, SD=1.138), equally the study showed that there was consistent agreement that public complaints reduced as shown by a low standard deviation.; and finally there was consistency in service delivery (M=4.00, SD=0.987):.big number of customers served (M=3.90, SD=1.113), on this the study returned a verdict respondents agreed customers served were many and standard deviation was small an indication of consistency in agreement: increased revenue collection (M=3.98, SD= 1.095), the study showed a consistent agreement that revenue collection indeed increased: access to complain channels (M=3.84. SD= 1.059), this shows that respondents were in agreement that complain channels were available: relatedness of services to customers (M=3.85, SD= 1.042), the study showed agreement that customers were served with what they wanted and finally reduction in bureaucracy (M=3.58, SD= 1.176), this was an indication that bureaucracy had reduced and the small standard deviation showed consistency in agreement.

The implication of these results is that Huduma Centres in Kenya have improved service delivery to citizens with respect to numbers of people served, reduction in bureaucracy, accountability, consistency and stability of services offered. Indeed, Huduma Centres have

raised the bar in service delivery which was hitherto very poor. By seeking to be accountable, consistent and stable, these Centres are bound to attract more members of the public. Besides, by adhering to tenets of performance contracting, these services are bound to improve even further, barring challenges of resources and personal factors.

As a matter of fact, performance contracting has been found to impact directly on service delivery by enhancing response to customer inquiries and problems, but could be constrained by the compensation system (Olive, 2012). Besides, Muiru (2014) contends that performance contracting influences greater target achievement and service effectiveness. Several other scholars have documented the positive impact of performance contracts on service delivery in diverse contexts (Letangule and Letting, 2012; Mwititi and Gongera, 2013; Ombuki, 2011).

4.5 Inferential Analysis

Inferential analysis concentrated on testing postulated hypotheses in order to establish the nature of impacts that adoption of performance contracting has on delivery of services in Huduma centres; the nature of moderation that resource implementation factors have on the link between performance contracting and delivery of services in Huduma centres; and the nature of the moderation that personal implementation factors have on the bond between performance contracting and delivery of services in the centres.

4.5.1 Examining the Relationship between Performance Contracting Measures and Service Delivery

The first objective was to establish the relationship between performance contracting and service delivery among Huduma Centres in Kenya. This was actualized through the testing of the first null hypothesis stated as; $H_0 = 0$, There is no relationship between performance contracting and service delivery. A hypothesis states a presumed relationship between

variables in a way that can be tested with empirical data and it may take a cause-effect relationship. A hypothesis is used to give directions for the research and establish relationship between variables.(Sija, 2019). The first step in conducting regression analysis to test the stated hypothesis was to establish the existence of a linear relationship between performance contracting and service delivery. This was carried through Pearson’s moment correlation analysis. The results of correlation analysis between performance contracting mean measures and service delivery mean measures are discussed in subsection 4.5.1.1.

4.5.1.1 Correlation Analysis between Performance Contracting measures and service delivery measures

Person’s moment correlation analysis is used to assess the existence of a linear relationship between dependent and independent variables. Table 4.8 presents the resulting correlation matrix between performance contracting measures and service delivery measures.

Table 4.8. Correlations Between Performance Contracting measures and Service Delivery

| | | Composite Service delivery measures | Composite Performance contracting measures |
|--|---------------------|-------------------------------------|--|
| Composite Service delivery measures | Pearson Correlation | 1 | .569** |
| Composite Performance contracting measures | Pearson Correlation | .569** | 1 |

****.** Correlation is significant at the 0.01 level (2-tailed).
Source: Field Data (2019)

Table 4.8 indicates that at 95% level of confidence, there is sufficient evidence to show that there is moderate positive significant association between service delivery and performance contracting ($r=0.569$, $p < 0.001$). However, taking cognizance of the fact that correlation does not necessary mean causation, a simple linear regression model was fitted between measures performance contracting and the measures of service delivery. Detailed results of the simple linear regression model involving mean value of performance contracting measures are displayed in Tables 4.9, 4.10 and 4.11 and discussed in the following subsections.

Table 4.9. ANOVA Results on the Relationship between Performance

Contracting Measures and Service Delivery

| Model | Sum of Squares | Df | Mean Square | F | P-value |
|--------------|-----------------------|-----------|--------------------|----------|----------------|
| 1Regression | 45.871 | 1 | 45.871 | 107.229 | < 0.001 |
| Residual | 95.824 | 224 | .428 | | |
| Total | 141.695 | 225 | | | |

Dependent Variable: Composite Service delivery measures

Predictors:(Constant), Composite Performance contracting measures

Source: Survey Data,(2019)

The ANOVA Table 4.9 revealed that the overall model was statistically significant, $F(1, 224) = 107.22$, $p < 0.001$. This shows that at least one of the model parameters was significantly different from zero. To assess the model parameter that was significant different from zero, individual parameter t-test was carried out at 95% level of confidence, the results were as illustrated in table 4.10.

Table 4.10. Estimated Regression Coefficients for Variables in Performance Contracting-Service Delivery Model

| Model | Unstandardized Coefficients | Standardized Coefficients | T | Sig. | 95.0% Confidence Interval for B | | Collinearity Statistics | | | |
|-------|--|---------------------------|------|-------|---------------------------------|------------|-------------------------|-------------|-------------|-----------|
| | | | | | B | Std. Error | Beta | Lower Bound | Upper Bound | Tolerance |
| 1 | (Constant) | 1.838 | .207 | 8.857 | .000 | 1.429 | 2.247 | | | |
| | Composite Performance contracting measures | .562 | .054 | .569 | 10.355 | .000 | .455 | .669 | 1.000 | 1.000 |

Dependent Variable: Composite Service delivery measures

Source: Field Data (2019)

From Table 4.10 above, composite scores for performance contracting were used where the components of performance contracting are combined and presented as a single unit. This is because performance contracting is a continuous process that entails various parts of the process making it hard to isolate and use individual components or constructs to show the relationship. OECD (2008) recommended that in such cases a composite score can be used. Composite scores represent small sets of data points that are highly related to one another conceptually or statistically. When the items are combined and presented as a single score, they help in reducing the potential for information overload.

Table 4.10 shows that at 95% level of confidence, the coefficient of Performance contracting ($\beta = 0.569$, $p < 0.001$), was significantly different from zero. This shows that there was sufficient evidence to show that performance contracting had a positive significantly effect on service delivery among Huduma Centres. Therefore, to answer the research objective of the study represented in equation 4.1 to make conclusion

$$Y = 1.838 + 0.569PC \dots \dots \dots \text{equation 4.1}$$

The coefficient shows that a unit increase in performance contracting would increase service delivery by 0.569. The results show that we should reject the first hypothesis of the study and conclude that performance contracting does have a significant effect on service delivery in Huduma centres. The conclusion therefore is that performance contracting contributes to service delivery hence it has a positive relationship with service delivery

Table 4.11. Performance Contracting-Service Delivery Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin Watson |
|----------|-----------------|--------------------------|-----------------------------------|----------------------|
| 0.569 | 0.324 | 0.321 | 0.65405 | 1.921 |

Source: Field Data, (2019)

Performance Contracting-Service Delivery model summary (Table 4.11) revealed that R^2 change was 0.324. R^2 change shows that performance contracting contributes 32.4% of service delivery. It therefore shows that performance contracting has a positive relationship with service delivery. The basis of Cohen (1988), this variance explained was deemed to be fairly large. Factors unaccounted for by this model explained 67.6% of service delivery. The shrinkage between $R^2=0.324$ and adjusted $R^2=0.321$ was 0.003, showing that the model was able to give a fitting generalization. It has been demonstrated that Shrinkage below 0.5 signifies a good external validity for the model (Field, 2005). The Durbin-Watson statistic was 1.921, and was approximately equal to 2 an indication of independence among residuals or lack of serial correlation However, rather small proportion (32.4%) of variance in service delivery explained by performance contracting suggests that certain issues need to be addressed for performance contracting to work effectively and subsequently justify the inclusion of moderator variables to enhance its predictive power.

The finding showing that performance contracting positively and significantly affects service delivery and supports findings by Mauya (2015) and Omar (2012). Mauya (2015) established that performance contracting and issuance of customer service manual improves service delivery in the ministry of tourism in the sense that staff was able to offer better services. On the other hand, Omar (2012) found out that use of performance contracting in the municipal council of Mombasa led to positive changes in service delivery among employees. The findings in this study also resonate with findings by Waruri (2016) who, through an assessment of performance contracting and service delivery from a TSC context determined that performance contracting had significantly contributed to improved service delivery at the commission. However, Waruri noted that the performance contracting strategy had not been devolved effectively in the commission.

Waruri (2016) in his study however reported that the strategy targeting performance contracting had not been significantly devolved to ensure effective involvement and participation of all employees at all service delivery levels but it increased service delivery hence supporting this study findings. While Omar (2012) in his study, had that the outcome of performance contracting registered an improvement in employee accountability, service delivery improved and it increased the team spirit due to its ability to motivate employees to work. This strongly agrees with this study findings. However, Olive (2012) in the study established that performance contracting enhanced timely response to the customer inquiries and problems were solved faster than before. It also showed results of greater convenience and control. However, despite that, the study maintained that there ought to be a link between the performance contracting and the compensation system for much better results. Muiru (2014) equally in his study found out that performance contracting contributed to the greater target achievement and effectiveness in service delivery. Letangule and Letting (2012) in

their study equally established that performance contracting indeed had an effect on employee productivity, service delivery, efficiency and consistency and as such agrees with the findings of this study

More studies provided evidence that performance contracting indeed helped to increase service delivery for instance, Mwiti and Gongera (2013) in their study established that performance contracting resulted in increased service delivery. It also led to increase in efficiency and effectiveness by realizing all the targets set. On the other hand, (Ombuki ,2011; Bomett, 2005) noted in their study that performance contracting led to increase in revenue collection in the ministry of lands. For example, revenue rose from Kshs 860,720,078 to Kshs 953,890,673 in 2014. These findings fully support this study

Njoroge (2014) established that performance contracting greatly increased service delivery but on the negative side, it limited employee creativity and innovation. The study also found out that for service delivery to increase then the targets must be cascaded down to all workers. Republic of Kenya (2010) pointed out that performance contracting led to increase in service delivery in Government ministries but impacted negatively in some ministries. These supports the finding of this study

Alwy (2012) established that performance contracting led to increase in service delivery, employee accountability and the team spirit. Okech (2017) in his study established that a strong relationship existed among performance contracting and efficiency in provision of service delivery through a decline in operational costs, improved revenue and enhanced resource use. Ndubai, Mbeche and Pokhariyal (2016) established that performance contracting affects service delivery in state corporations, ministries, tertiary institutions and

local authorities, Ndubai et al (2016) established that improvement in delivery of services to the public was a function of performance contracting as depicted by an overall improvement of 73.6 percent in the delivery of services. These studies further support the findings of this study that performance contracting affects service delivery

Rotich, Ochieng, Bett, and Achieng (2014) the study results showed that the implementation of Performance Contracting was very effective in improving efficiency in service delivery. Ang'anyo and Mbatha (2019) established that PC had a positive effect on service delivery improvement. In a similar study, Ngetich (2015) probed how use of performance contracting had impacted on delivery of services and the findings was that indeed increase in service delivery was dependent upon implementation of performance contracting. Mugabo, Mulyungi and Ngusale (2018) revealed existence of a highly significant positive correlation between implementation of performance contract and delivery of services. Among the recommendations made by Mugabo et al., (2018) was the need to facilitate the ease of implementation of performance contracts (Oketch (2017). All these studies fully supported the finding of this study that service delivery was indeed a factor of performance contracting by a big margin

Further study supports the findings of this study, for instance, (Republic of Kenya, 2004) points out that Performance contracting, through its management process and implementation module of timely negotiation and vetting, monitoring and evaluation structure are cardinal to ensuring efficient delivery of services offered to the citizens. This is the position that this study holds. Equally Moy (2005) underscores the importance of performance contracting by arguing that the autonomy inherent in performance contracting has seen an increase in the development of internal structures employed in most public agencies thereby realizing an increase in service delivery

Mauya (2015) in his study, he agreed that after performance contracting and issuance of customer service manual enabled the staff to offer better services. This in essence showed that indeed performance contracting was an avenue for improving the delivery of services to the citizens by public enterprises established in this study. Another study further supports this study findings for instance, Waruri (2016) in his study it was affirmed that service delivery at the Teachers Service Commission was a function of performance contracting

Trivedi (2008) is in agreement with the findings of this study that, Performance Agreements (Performance Contracting as referred elsewhere) had greatly led to improved public enterprise accountability and the performance by preventing confusion that arises from multiplicity and conflicting goals thereby doubling delivery of services to its citizenry. Martins (2000) in his study, he found out that implementation performance contracting had for instance, seen a drop in the cost of contractors for every placement, reduction in the time (in months) that clients used to take to be served, which was a great achievement. On the other hand, the social service it led to a higher increase in the number of adoptions. This shows service delivery was increased through implementation of performance contracting, a position now held by this study

Norman (2004) in his study, he established that performance contracting is used as a tool to help realize consistency and quality service delivery in a decentralized context a position of this study because Huduma centres are a decentralized unit. Rotich (2014) on the other hand pointed out that workers indeed had a paradigm shift in terms of how they did their work and that helped in realizing their targets and ultimately to achieve quality service delivery for the consumers of their services. Equally the study further noted that now after implementation of performance contracting, it now takes a shorter time in solving public issues and the workers

have equally developed a sense of responsibility for their actions as a result of performance contracting. This helps to realize quality services as pointed by this study

Kosgei (2013) established that workers with low academic qualification had less involvement in setting of targets and as such that contributed to the failure of performance contracting in realizing the needed quality service delivery. But for the staff who are well educated and qualified fully participated in target setting and had all issues on ambiguity or unclear on performance contracting sorted out and at the end higher quality service was delivered. The study further pointed out that employees who are involved in performance contracting should also be involved in decision making in order to make performance contracting meaningful and realize enhanced service delivered. This is an agreement with this study finding

Ochoti (2012) in agreement with this study finding indicated that implementation process, interpersonal factors, rater accuracy, information factors and issues, and finally employee attitudes had a positive relationship between performance appraisal and ultimately performance contracting if service delivery is to be realized for the consumers of their customers. Alabar and Abubakar (2013) in their study they established that employee's empowerment indeed had a positive and significant effect on quality of services delivered and productivity.

Byamukama (2012) carried out a study and established that in Rwanda that the use of indigenous knowledge known as *imihigo* which is translated to mean performance contracting has resulted into greater improvements in service delivery in terms of socio-economic variables for the wellbeing of the country's citizens. Also of interest is the study by Mulei and Orodho (2016) on the efficacy of performance contracting in the management of secondary

schools. The study found out that performance contracting procedures indeed regulated the financial management practices and enhanced service delivery while Mbau and Sarisar (2013) established in their study that performance contracting resulted into accountability where employees felt committed to their actions by being responsible (Kobia, 2006). All these supports the position of this study finding

Further Reza and Chitto (2009) in their study, they found out that performance contracting enhanced communication both internally and externally and as a result there a positive significant effect on service delivery. Equally Muthaura (2007) maintained that for performance contracting to be effective then the focus should be to have a pool of public officers that have the skills, knowledge and with a positive behaviour pattern that embraces positive work ethics in order to realize enhanced quality services delivered. All these came out clearly in this study and therefore this literature is in agreement with the findings of the study

Ochieng (2010) in his study, he established that performance contracting led to enhanced accountability by defining what each person is to do and when to do it. The study also noted that when outstanding performance is rewarded by way of promotion, pay rise or recognition, a sense of loyalty and commitment sets in and leads to increased service delivery. Ang'ayo (2019) in his study, he established that performance contracting enhanced financial stewardship and enhanced service delivery. The study further maintained that the performance contracting influence on service delivery was moderate an indication that there are other factors that also affects service delivery other than performance contracting. Hope (2013) established in the study that performance contracting is used in public service to implement policies and improve productivity and service delivery (Mauya, 2015). These is

echoing the findings of the study and gives credence to it

Lin (2014) established in his study that service delivery is a function of customers, staff and the facilities which should be enhanced. The study equally found out that performance contracting helped to reduce corruption and customer complaints. This will help to bring out the desired service as espoused in the findings of this study (Geoffrey, 2013). Choke (2006) on the other hand established from the study that the top managers played a leading role in performance contract implementation and they helped shape a positive perception on performance contracting which in turn made workers to develop positive perception towards performance contracting and that enhanced realization of service delivery as shown in this study findings. Mbithi (2010) found out from his study that performance contracting led to improvement in quality of resource allocation and greater managerial decisions. Further the study pointed out that performance contracting also helps to enhance accountability by making employees responsible for their actions out of their targets that they negotiated. This is the position of the study that shows what must be done during implementation of performance contracts

More studies are in agreement with this study findings for instance, Halachmi (2011) in the study, it was established that performance contracting leads to increased transparency and accountability which is evidenced through efficiency and effectiveness in allocation of resources and finally that increased service delivery to the citizens. Gakure (2013) established that performance contracting enhanced effectiveness of performance in service delivery to the citizens. The study further indicated that there was a positive relationship between performance contracting and productivity. While Armstrong and Baron (2004) in their study, it was established that performance contracting enhanced quality of service delivered in the most transparent manner where the workers are held responsible for their

actions on their targets (Jerop2017)

Nganyiek (2014) acknowledges in the study that performance contracting leads to a higher performance and quality of services delivered through regular and periodic setting of the targets, monitoring and evaluation (Rotich, 2014). Arimi (2017) established that performance contracting was highly influenced by the organizational culture in terms of the composition of committees, awareness of employees and their commitments. The study further states that for efficient implementation of performance contracting to realize increased service delivery, the workers involvement in performance contracting issues, awareness creation and increase in communication channels should be provided and prudent leadership are key critical factors to be considered as brought out in the findings of this study

Ndigijimana (2020) did a study in Rwanda on the topic enhancing effectiveness of public services performance through performance contracts. The study established that performance contracting leads to effectiveness of service delivered, it led to improvement in accountability, ownership of services and citizen participation. The combination of these factors leads to a high-quality delivery of services to a country as evidenced by the findings of this study.

Several other previous studies have also reported results established in this study in relation to the fact that performance contracting has become an avenue of improved service delivery in various organizations (Jerop & Kiptum, 2017; Muiru, 2014; Mwititi & Gongera, 2013; Ndubai *et al.*, 2016; Njoroge, 2014; Oketch, 2017). The bottom line then is that this study contributes to existing literature and strengthens the case for performance contracting from the Huduma Centre perspective by clearly putting out the facts that performance contracting affects service delivery offered by the public service

4.5.2 Establishing the Moderation Influence of Resource Factors on the relationship between Performance Contracting and Service Delivery in Huduma Centres, Kenya

Objective two sought to establish how resource factors moderates the link between performance contracting and service delivery in Huduma Centres of Kenya. Its null hypothesis was that there is no moderating influence of resource factors on the relationship between performance contracting and service delivery. This hypothesis was tested using Moderated Regression Analysis (MRA) facilitated by hierarchical regression approach. Of interest was the interaction between Performance contracting and resource factors. Under the hierarchical regression approach, the means of the constructs were computed using the items measuring the respective constructs. The mean composite values of the three constructs were subsequently standardized. Standardized scores(z-score) were preferred for purposes of minimizing threats of multi-collinearity which otherwise could be caused by high correlations between raw performance contracting scores and raw resource factor scores. Next, the interaction between the standardized performance contracting construct and the standardized resource factors construct (ZPC*ZRF), was also computed. OECD (2008) Composite scores represents small sets of data points that are highly related to one another conceptually or statistically. When the items are combined and presented as a single score, they help in reducing the potential for information overload.

Three steps of the hierarchical regression were employed in line with the three categories of variables. In the first step, service delivery was entered as the dependent variable, while the standardized scores of control variables were entered as the independent variables. The standardized scores of performances contracting and resource factors were entered as independent variables in step two. In step three, the standardized interaction score was entered as independent variable. R^2 change was triggered to show Test(s) of highest order unconditional interaction(s): results of the test of highest order unconditional interaction

presented in Table 4.12 below, yielded a significant R^2 change, $\Delta R^2 = .0282$, $F(1, 222) = 14.2391$, $p = .0002$. R^2 change denotes the level of moderation. The results indicate that resource factors moderated the relationship between performance contracting and service delivery among Huduma Centres in Kenya.

An examination of the results of step 3 of the hierarchical regression (Table 4.12), revealed the following information: under the moderation of resource factors: Performance contracting, $b = 0.830$, $p = 0.002$ was a significant predictor of service delivery because the significant value was less than .001; resource factors, $b = -0.023$, $p = 0.851$ were however not significant predictors of service delivery because the significant value was more than .001; nevertheless, the interaction between performance contracting and resource factors was significant, $b = 0.158$, $p = 0.000$, this is evidenced by a significant value which was less than .001. The findings therefore mean that resource factors moderate the relationship between performance contracting and service delivery. Use of unstandardized coefficients was informed by the recommendations of Whisman and McClelland (2005). The two posited that it is preferable to use un-standardized coefficient when reporting moderation results since they represent simple effects as opposed to main effects expected in additive regression model.

Table 4.12: Estimated Regression Coefficients for Variables in the Effect of Resource Factors on the Relationship between Performance Contracting-Service Delivery Model

| | R^2 -Change | F | df1 | df2 | p | | |
|--------------|---------------|------------|--------|----------|-------|-----------|-------|
| ZPC*ZRF | .0282 | 14.2391 | 1.0000 | 222.0000 | .0002 | | |
| Model | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 3 (Constant) | -.144 | .059 | | -2.430 | .016 | | |
| Z score (PC) | .830 | .112 | .830 | 7.411 | .000 | .158 | 6.318 |
| Z score (RF) | -.023 | .123 | -.023 | -.188 | .851 | .132 | 7.595 |
| ZPC*ZRF | .158 | .043 | .207 | 3.684 | .000 | .628 | 1.592 |

- a. Dependent Variable: Service delivery
 - b. ZPC: Z score for performance contracting
 - c. ZRF: Z score for resource factors
- Source: Field Data, (2019)

The significant interaction between performance contracting and resource factors implies that the effect of performance contracting on service delivery in Huduma Centers does not remain constant as resource factors change. Indeed, the interaction plot shown in Figure 4.5 confirms that the effect of performance contracting on service delivery increases with increasing levels of resource factors. For instance, at high level of resource factors, the slope for the line representing the effect of performance contracting on service delivery is highest.

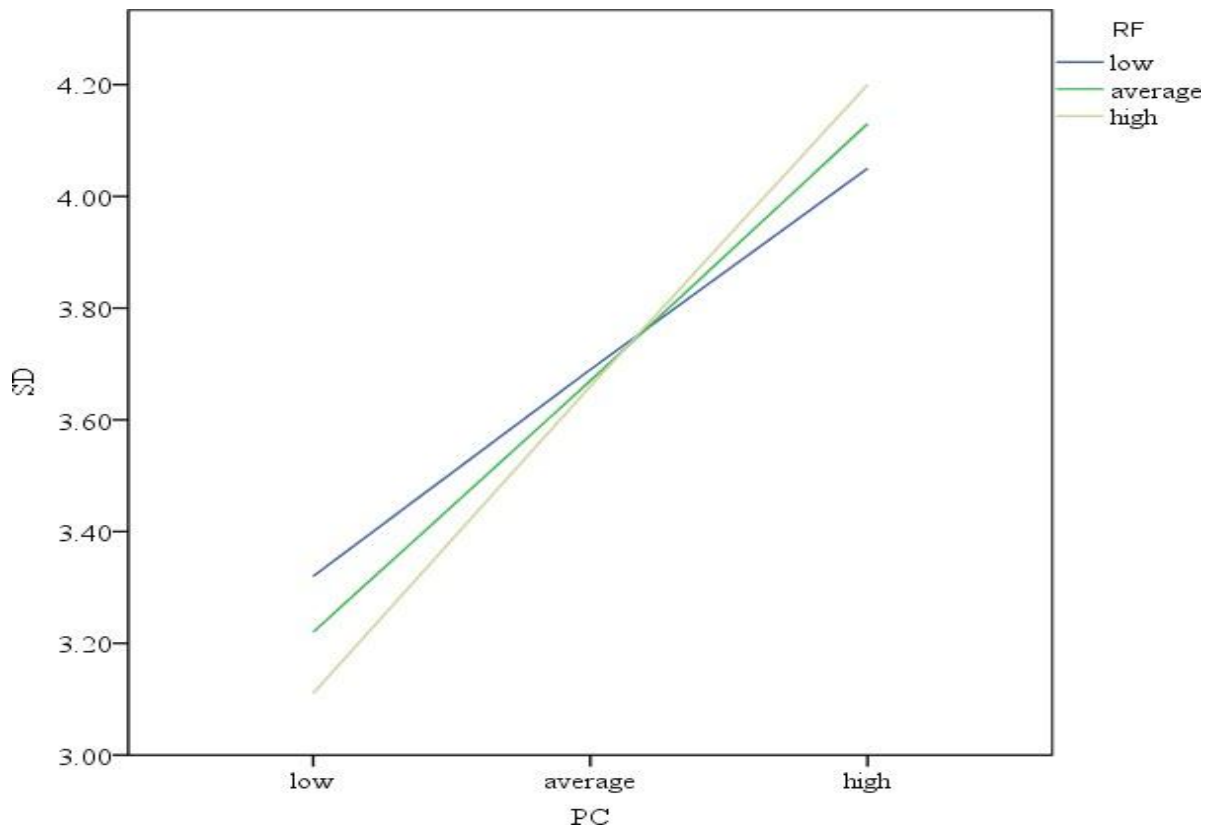


Fig. 4.5 Interaction plot for PC*RF

Source: Field Data (2019)

The moderation equation for resource factors moderating the relationship between performance contracting and service delivery in the presence of control variables is therefore given as:

$$SD = -0.144 + 0.830PC - 0.023RF + 0.158 PC*RF \dots \text{Eq. 4.2}$$

Based on the interaction equation, the results of the regression analysis as illustrated in table 4.13, showed that all the model parameters were significantly different from zero at 95%

level of confidence ($p < 0.001$). Based on the interaction equation, the results show that, performance contracting and the interaction between performance contracting and resource factors were significant. Resource factors on their own were however not significant. The model results showed that a unit increase in performance contracting independently increased service delivery levels by 0.830 units. Lastly, a joint unit increase in the interaction between resource factors and performance contracting increases service delivery levels by 0.158 units. Given that resource factors had no significant effect on service delivery, but its interaction with performance contracting was significant, there was sufficient evidence to reject the second null hypothesis of the study and conclude that resource factors had a moderating effect on the relationship between performance contracting and service delivery levels at the Huduma Centres. The conclusion therefore is that resource factors moderate the relationship between performance contracting and service delivery

The results imply that Performance contracting practices requires that, resource factors which have the potential to impact positively on the performance contracting and service delivery link, be managed if the predictive power of performance contracting is to be enhanced. Moreover, the results imply that, when Huduma centres make effort to enhance resource factors, the effect that performance contracting measures can have on service delivery levels at Huduma centres are likely to be increased resulting in higher service delivery levels in sampled Huduma centres.

The study affirms that practices employed in resource factors in the Huduma centres do indeed provide a statistically good model fit. Evidence shows that the social science discipline often registers small size effects which makes interaction effects detection power to be low (Aikin and West, 1991). Fairchild and Mackinnon (2009) concur in postulating that

despite being low, interaction effects as low as 8.8% as was the case in the present study, may still confirm moderation. The significant interaction reported in the current study indicates that resource factor practices do actually moderate in the link between performance contracting and service delivery in Huduma centres across Kenya. The finding in this study that resource factors moderate the impact of performance contracting on service delivery is indeed a novel finding. Previous studies have concentrated on showing the direct effects between resource factors and service delivery. Lings (2005) for instance, determined that management of the human resource had a direct impact on service delivery. This mirrored the findings by Kobia and Mohammed (2006) who established that reliance on consultants was a deterrent to implementation of performance contracting. More recent studies have also highlighted the direct effects of resource factors on service delivery.

Wangari (2014), in the study established that, the rate at which the finances were flowing, and timely transfers were facilitators of delivery of services. She also pointed out that citizen participation in decision making influenced service delivery. Mwangi (2013) in his study established that resource allocation in the budget affected the ability and pace of strategic plan implementation and the same was the service delivery. Abas, Munga and Were(2017)agreed with the above study but added that there is significant relationship between organizational culture, organizational structure, organizational leadership, workers attitudes, rewards and service delivery in an organization. Reza and Chattoo (2009) on the other hand, appreciated the complexity in public service and established in their study that communication had a significant relationship with performance and service delivery

Harris &Leni (2013), in their study on funding solutions, they found out that credibility of political communication affects service delivery and so is the strength of oversight systems

to help maintain level of performance. The research also established that the degree of coherence policies and process for implementation affects the delivery of services. AI (2013) points out that lack of adequate resources stalls projects and slows down performance and service delivery. Further, (Denrell, 2010; Sugarman, 2010) said that resources such as brand name, internet usage, skilled personnel, capital and efficient procedures are needed for realization of a higher service delivery. Equally, Ogola and Nzulwa (2018) pointed out that service delivery was greatly affected positively by the availability of adequate resources, employee involvement in decision making, clear rules and regulations (Fausiya and Mauia, 2019).

Mutiso (2013), in the study noted that quality of services delivered linked positively with human resources recruitment and selection but not on the efficiency of the services offered. The study also further agrees that employee safety and clear policies are essential in-service delivery. Osman (2014) equally pointed out that simplifying of rules and regulations leads to increase in delivery of services. The study also brought out the fact that training on customer care increased on service delivery. Mwangi (2014) in his study, he identified documentation and communication as factors that affects performance contracts and service delivery. Resource factors therefore continue to play a big role in influencing service delivery

Maina (2017) in his study, he found out that budgeting, stakeholder participation practices and regulatory practices had a positive significant effect of service delivery. While Republic of Kenya (2007) had the view that lack of revenue and inadequate budget allocations affected service delivery in health sector. On the other hand, Sifuna (2012) established that rules and regulations applied directly affects efficiency and effectiveness and ultimately the quality of services offered. Maguigui (2013) in his study he also brought out the fact that lack of

working resources hampers service delivery and hence organizations should watch over it. Further, Ngugi and Titany (2012) in their study, further noted that service delivery is affected by the use of computers and internet, service standards including having open channels of communication and employee wellbeing thereby agreeing with the findings of this study. But for Tilas (2014), the financial rate of flow as well as timely transfers positively and significantly affected service delivery. The other factor was participation in the meeting thereby referred to as involvement in decision making

More studies indicated how resource factors had a great impact on service delivery as shown in this study. Wangari (2014) focused on resource factors such as financial rate of flow and timely transfers which were found to impact positively on service delivery. Mutiso (2013) on the other hand demonstrated that resource factors such as the human resource have a positive relationship with quality of service delivered. The findings showing the moderating influence of resource factors provides a new avenue for examining performance contracting and service delivery. They confirm that there exist indirect effects between performance contracting and service delivery enhanced by existing resources.

4.5.3 Establishing the Moderating Influence of Personal Factors on the Relationship between Performance Contracting and Service Delivery of Huduma Centres in Kenya

Objective three sought to establish how personal factors moderates the relationship between performance contracting and services delivery in Huduma centres in Kenya. Its null hypothesis was that there is no moderating influence of personal factors on the relationship between performance contracting and service delivery. This hypothesis was tested using Moderated Regression Analysis (MRA) facilitated by hierarchical regression approach. Of interest was the interaction between Performance contracting and personal factors. Under this hierarchical regression approach, the means of the constructs were computed using the

items measuring the respective constructs. The mean composite values of the two constructs were subsequently standardized (z score). Next, the interaction between the standardized performance contracting construct and the standardized personal factors construct (ZPC*ZPF) was also computed. OECD (2008) Composite scores represents small sets of data points that are highly related to one another conceptually or statistically. When the items are combined and presented as a single score, they help in reducing the potential for information overload.

Three steps of the hierarchical regression were once again employed in line with the three categories of variables. In the first step, service delivery was entered as the dependent variable. The standardized scores of performances contracting and personal factors were entered as independent variables in step 2. In step 3, the standardized interaction score was entered as the independent variable. R^2 change was triggered to show Test(s) of highest order unconditional interaction(s): results of the test of highest order unconditional interaction presented in Table 4.13, yielded a significant R^2 change, $\Delta R^2 = .0338$, $F(1, 222) = 17.2063$, $p = .0000$. R^2 change denotes existence of moderation. This therefore is an indication that personal factors moderated the relationship between performance contracting and service delivery among Huduma Centers in Kenya.

An examination of the results of step 3 of the hierarchical regression (Table 4.13), revealed the following information on moderating influence of personal factors: Performance contracting ($b = 0.580$, $p = 0.002$) was a significant predictor of service delivery because significant value was less than .001; personal factors ($b = 0.270$, $p = 0.192$) were not significant predictors of service delivery because the significant value was more than .001 ; nevertheless, the interaction between performance contracting and personal factors was

significant ($b=0.213, p=0.000$), as indicated by a significant value less than .001. The results therefore shows that personal factors moderate the relationship between performance contracting and service delivery

Table 4.13: Estimated Regression Coefficients for Variables in the Effect of Personal Factors on the Relationship between Performance Contracting-Service Delivery Model

| | R²-Change | F | df1 | df2 | p | | |
|----------------|------------------------------------|-------------------|----------------------------------|------------|-------------|--------------------------------|------------|
| ZPC*ZPF | .0338 | 17.2063 | 1.0000 | 222.0000 | .0000 | | |
| | coefficients | | | | | | |
| | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
| Model 3 | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| (Constant) | -.202 | .067 | | -3.022 | .003 | | |
| Z score (PC) | .580 | .184 | .580 | 3.159 | .002 | .058 | 17.138 |
| Z score (PF) | .270 | .206 | .270 | 1.307 | .192 | .046 | 21.610 |
| ZPC*ZPF | .213 | .053 | .273 | 4.028 | .000 | .430 | 2.328 |

- a. **Dependent Variable: Service delivery**
 - b. **ZPC: Z score for performance contracting**
 - c. **ZPF: Z score for personal factors**
- Source: Survey Data, (2019)

The significant interaction between performance contracting and personal factors implies that the effect of performance contracting on service delivery in Huduma Centres does not remain constant as personal factors change. The interaction plot shown in Figure 4.6 shows that, the effect of performance contracting on service delivery also increases with increasing levels of personal factors. For instance, the slopes for the lines representing the effect of performance contracting on service delivery are increasing as we move from low levels through average levels to high levels of personal factors. .

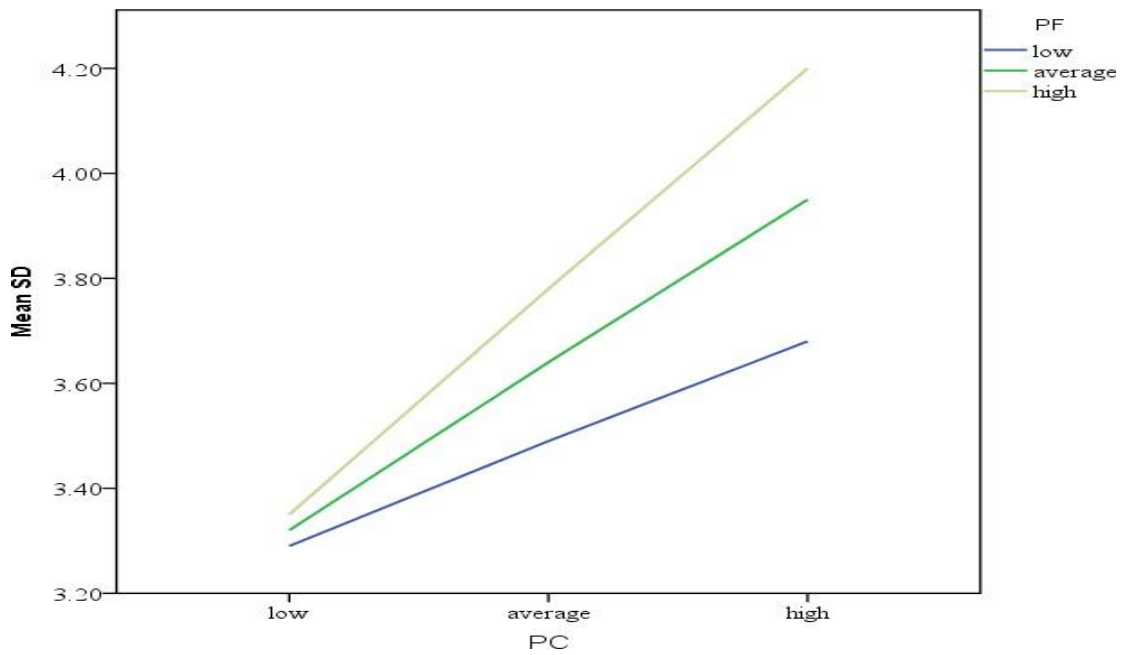


Fig. 4.6 Interaction plot for PC*PF
Source: Field Data (2019)

The moderation equation for personal factors moderating the relationship between performance contracting and service delivery in the presence of control variables is therefore given as:

$$SD = -0.202 + 0.580PC + 0.270PF + 0.213PC*PF \dots \text{Eq. 4.3}$$

Based on the interaction equation, the results of the regression analysis as illustrated in table 4.13, showed that all the model parameters were significantly different from zero at 95% level of confidence ($p < 0.001$). Based on the interaction equation, the results show that, Personal factors were not significant, however the interaction between performance contracting and the personal factors were significant. The model results showed that a unit increase in performance contracting independently increased service delivery levels by 0.580 units. Equally a unit increase in personal factors led to 0.270 unit increase in service delivery. The joint interaction between personal factors and performance contracting increases service delivery levels by 0.213 units. The study therefore notes that the null hypothesis of the study should be rejected because there is sufficient evidence and conclude

that resource factors had a moderating effect on the relationship between performance contracting and service delivery levels at the Huduma Centres. The conclusion therefore is that personal factors moderate the relationship between performance contracting and service delivery

The results imply that Performance contracting practices do require that, personal factors which also have the potential to impact positively on the performance contracting and service delivery link, be managed if the predictive power of performance contracting is to be enhanced. Moreover, the results imply that, when Huduma centres make effort to enhance personal factors, the effect that performance contracting measures can have on service delivery levels at Huduma centres are likely to be increased resulting in higher service delivery levels in sampled Huduma centres.

This result further implies that Performance contracting practices does not operate independently as a determinant of service delivery in Huduma centres but rather its predictive power can be enhanced by managing person factors as this impact positively on performance contracting-Service delivery relationship. Furthermore, the results imply that when Huduma Centres put effort to enhance personal factors, the effect of that performance contracting measures can have on service delivery levels at Huduma Centres can be intensified thus resulting to the higher service delivery levels at sampled Huduma Centres. Similarly, the interaction effect; in this case 12.5% may be seen as low but confirm moderation (Aikin and West, 1991). The significant interaction indicates that the presumed moderator (personal factor practices) moderates the effect of the predictor variable (performance contracting) on the outcome variable (service delivery) of the Huduma Centres in Kenya.

The finding that personal factors moderate the bond between performance contracting and service delivery confirms that performance contract implementation is a process that needs taking cognizance of individuals involved. Previous studies have pointed out the need to factor personal factors when examining antecedents of service delivery. Obongo (2009) for example, points to the need of public officers to be accountable for public resources entrusted upon them, which can be achieved through performance contracting. Omondi (2016), on the other hand shows that, acumen in information technology which is a personal factor has potential to impact on service delivery.

The finding in this study that personal factors are moderators deviates from previous studies which have hitherto addressed direct effects of personal factors. Wanjau (2012) established that lower employee capacities tended to lower provision of quality service. Serdar (2014) found out that workforce cluster of skills and experience affected service delivery. Qadeer (2013) pointed to communication, attitude and education as personal factors which affect service delivery.

Flora and Kubaison (2017) in their study established that leadership styles for instance democratic style if used positively influenced service delivery. Further (Kolil and Manyasi, 2019; Twanga, 2016; Kogei, 2015; Hannah & Wambua, 2020) brings out the fact that leadership style adopted influenced service delivery. Merwe and Ukpere (2013) in their study found out that there is a positive relationship between leadership and performance. Gaitho (2017) studied leadership qualities and service delivery and established that for better service delivery, the organization must ensure high levels of accountability and ethics which are dictated by the leadership styles in use by the management. The quality of training given to the employees influenced personal job satisfaction and service delivery (Cole, 2017; Nassazi,

2013; Well, 2013; Cyril, 2012; Bouwman, 2013; Swat, 2005; Manzini and Shumba, 2014; Richard and Noor, 2014; Shaw, 2015). All these studies show how personal factors indeed influences service delivery and therefore they are in agreement with the findings of this study

Nahavandi (2006) further agrees with the findings of this study by noting that higher performance and increased service delivery should be rewarded through promotions, higher salaries or any other form of recognition. This is also shared by Ngui (2014). Obongo (2009) postulated that the use of performance contracts has seen an improvement among government officers in the accountability of public resources at their disposal daily. According to Therkildsen (2002) in enabling managers to match performance targets with expected political priorities, performance contracting improved the political accountability.

Omondi (2016) in his study, established that information technology affected provision of the service delivery as indicated by 57% of the population, the level of training affected service delivery as shown by 97% of the population, inadequate supply of equipment also affected service delivery and also the style of management affected the delivery services by increasing the number of customers served daily. This further supports the view held by this study that personal factors greatly affect service delivery. Equally, Njoroge (2013), in his study in hotel industry in Kenya found out that salaries or remuneration, working conditions and level of training affected service delivery. Ledgerwood (2000) agreed by saying that there is a direct relationship between workers performance and salaries paid out. On the other hand, Gesare, Elagwa and Kwasira (2016) pointed out that rewards and recognition affected service delivery positively (Sciedu,2016).

Wanjau (2012) did a study and established that lower employee capacities resulted to a decline in provision of quality services. Equally the study found out that low adoption of technology lowered the quality of service and customer satisfaction. Serdar (2014) on the other hand in his study pointed out that workforce cluster of skills, competencies, experiences and the work management cluster of communication between parties affected positively the service delivery. Ngorobi (2015) agrees with Serdar (2014) by bringing out the fact that institutional characteristics affects service delivery. They are the skills and competencies possessed, level of professionalism, workers attitudes and perceptions and finally the incentives in place. These studies provide more evidence to back the finding of this study that personal factors affects significantly service delivery

Qadeer (2013), also in her study in the banking industry established that communication, employee's attitudes and level of education affected delivery of services greatly by increasing customer care activities and accountability further supporting the findings of this study. Jasim (2012) established in his study that personal factors that include level of education, experiences, attitudes and trust affected service delivery. Equally the study pointed out that adequate provision of physical facilities led to a positive influence on service delivery. The research also under scored the role of leadership provision in service delivery. This study therefore argues the case for performance contracting requiring the moderation of other factors in order to have a bigger impact on delivery of services.

4.6 Summary of the Hypothesized Empirical Framework and Results

Hypothesis one entailed the testing of the direct effect of performance contracting on service delivery in Huduma centres in Kenya. Hypothesis two tested whether the link between performance contracting and service delivery could be moderated by resource implementation factors. Finally, hypothesis three sought to find out if personal

implementation factors moderate the link between performance contracting practices and service delivery levels.

The results indicated that performance contracting positively influenced service delivery levels in Huduma Centres in Kenya. In the case of the moderating effect of resource factors, the result indicated that resource factors played statistically significant role as a moderating variable in the performance contracting-service delivery relationship. On the other hand, the relationship between performance contracting and service delivery was also positively moderated by personal factors. In conclusion, the study findings are that, both resource factors and personal factors are significant and plausible moderators in the relationship between performance contracting practices and service delivery levels among the Huduma Centres in Kenya.

Table 4.14 below gives a summary of hypotheses testing, both for main effect and moderation effects

Table 4.14: Summary of the Hypothesized Empirical Framework and Results

| <u>Hypothesis</u> | <u>Regression weight</u> For direct interaction | <u>Result</u> |
|--|--|----------------------|
| H01: There is no significant effect of performance contracting and service delivery in Huduma Centres in Kenya. <i>H₀=0</i> | b=0.562, p=0.000 | Not Supported |
| H02: There is no significant moderating effect of resource factors on the relationship between performance contracting and service delivery in Huduma Centres in Kenya. <i>H₀=0</i> | For interaction, b= 0.158, p=0.000 | Not supported |
| H03: There is no significant moderating effect of personal factors on the relationship between performance contracting and service delivery in Huduma Centres in Kenya. <i>H₀=0</i> | For interaction, b= .0338, p=0.000 | Not supported |

Source: Field Data (2019)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of study findings based on each research question, conclusions and recommendations of the study. It also presents theoretical implications of the study and study implications for practice as well as the limitations of the study and finally, it suggests areas for further study.

5.2 Summary of Findings

The first objective of the study was to determine the relationship between performance contracting and service delivery in Huduma Centres in Kenya. Its corresponding null hypothesis was that performance contracting has no significant relationship and service delivery among Huduma Centres in Kenya. The study revealed that performance contracting significantly and positively influences service delivery in Huduma Centres in Kenya. The study established that the following activities if carried out then service delivery will be enhanced. The factors included, accurate identification of the targets, timely negotiations of the targets, timely vetting of performance contracts, signing of performance contracts, submission of performance contracting reports, review of performance contracting targets, evaluation, moderation and ranking of performance contracting results, public announcements of the performance contracting results and finally the review of performance contracting guidelines just before a new cycle begins. When more attention was given to this activities service delivery increased. This finding contributed to new knowledge by providing a new empirical evidence linking performance contracting practices to service delivery in Huduma Centres in Kenya.

The second objective of the study was to establish the moderating influence of the resource factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. Its corresponding null hypothesis was that there was no moderating influence of the resource factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. The findings reveal that the significant interaction indicates the presumed moderator (resource factor practices) positively and significantly moderates the relationship between performance contracting and service delivery in the Huduma Centres in Kenya. The resource factors that moderated the relationship and helped to influence an increase in service delivery included, open channels of communication, performance contracting activities properly being executed, availability of enough space, adequate computers and internet, availability of the policies of the government that guides performance contracting process, accessibility of information on performance contracting process and design, rules and regulations that govern the performance contracting process, the continuous presence of managers to provide the needed leadership during the performance contracting process and finally a continuous monitoring and measurement of the results of performance so that nothing that is important is not left out

The third objective involved the analysis of the moderating influence of the personal factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. Its corresponding null hypothesis was that there was no moderating influence of the personal factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. On this, the study revealed that relationship between performance contracting and service delivery was positively and significantly moderated by personal factor practices. The study made a major milestone towards the existing literature by clarifying the inconsistent and often enigmatic relationship between

performance contracting and service delivery by hypothesizing and confirming a moderation process through an interaction effect between performance contracting and personal factor, an area previously unexplored. The personal factors that moderated the relationship to increase service delivery in the public service in Kenya included, level of training and education, suitable transfers being under taken, suitable working environment that is worker friendly, employees relationship with the management to iron out any issues that are a threat to realizing of performance contracting activities, positive attitudes in the workers about the performance contracting, the workers right perception on the adoption of performance contracting activities, suitable management styles, workers who are correctly placed as per their qualifications and skills possessed, the adoption of technology and the rewards and punishment for good or poor performance respectively.

5.3 Conclusions of the Study

Three conclusions can be drawn based on the preceding evidence. The first conclusion based on the first objective is that performance contracting positively influence service delivery in the context of Huduma centres in Kenya. Based on the second objective, it is concluded that, resource factors significantly and positively improve service delivery through its interactive effects with performance contracting practices. And finally, the conclusion on the third objective is that personal factors significantly and positively improve service delivery through its interactive effects with performance contracting practices.

5.4 Implications of the Study

The study developed a conceptual model that examines the moderating influence of performance contract implementation on the relationship between performance contracting and service delivery. The model draws important implications both for existing theory, as well as for public practice.

5.4.1 Theoretical Implications of the Study

The present study was embedded in Vroom's expectancy theory and goal setting theory. Vroom's expectancy theory contends that an individual's behavior is formed not on objective reality but on his or her subjective perception of that reality. The findings in this study with regards to the moderating influence of performance contract implementation factors on the relationship between performance contracting and service delivery contributes to Vroom's expectancy theory in a number of ways. First, the study shows that the objective reality concerning service delivery is that pursuance of ideals of performance contracting will definitely impact on service delivery.

However, subjective perception among Huduma Centre employees is likely to influence the reality in the relationship between performance contracting and service delivery. The manner in which adequacy of resources is perceived for instance, is likely to either ease implementation of performance contracts or make implementation more difficult. Besides, expectancy theorists recognize individual subjectivity as a factor in decision making. Consequently, the implication of the findings in the present study is that subjectivity among individuals in Huduma centres in Kenya is a function of factors such as working environment; communication among workers; adoption of technology; and relationships between employees and the management. Such factors shape the perceived reality that finally causes the impact of performance contracting on service delivery.

The theory holds the view that an individual's behaviour revolves around efforts undertaken, performance achieved and expected rewards that guides their personal perception of prevailing situations. This is important to performance contracting and implementation which has specific activities that should be realized within a particular period of time. The study maintains that if the managers and supervisors will educate workers know the value of their

effort then performance contracts will always be achieved.

The theory also indicated that expected rewards will always cause good performance. This is in agreement with the study findings performance contracting will succeed if workers are given rewards for good performance. This is very important because managers and supervisors will tie good performance to reward during performance contract negotiations with workers for it helps to secure their loyalty and effort into the programme to enhance service delivery

Performance contracting is about targets which can majorly be realized if the workers have the right perceptions about the value of their efforts and the availability of rewards for their efforts. The theory maintains that the tendency or urge to act in a particular manner is informed by the expected outcomes. The theory established that workers will apply their effort on tasks that they believe are achievable and worth their effort and rewards. This is in agreement with the study findings an indication that theory is very appropriate for the study

The goal setting theory on the contrary is based on the premise that human actions are purposeful in that they are directed by the conscious goals setting. The findings in this study showing that personal factors moderate the relationship between performance contracting and service delivery in Huduma centres imply that goal setting theorists need to take cognizance of individual employee personal factors that determine human actions. The level of training and education, suitable transfers being taken, suitable working environment, positive employee relationship with the management, positive attitudes in the workers, the right perceptions towards performance contracting, suitable management styles, workers being placed correctly as per their qualifications, adoption of technology and presence of

rewards and punishment for better of poor performance are no doubt activities aimed at bringing on board employee competencies and personal factors, when implementing performance contracts.

The theory maintains that human actions are purposeful in that they are directed by the conscious goals setting to help realize a desired performance. A goal should entail a structure that directs the activities and behaviour which leads to improved performance. It also reiterates that setting a goal is important for it will direct one's behavior in order to achieve the set goals. The theory holds the view that workers will put in more efforts towards accomplishing their goals and improve on their performance and productivity. These efforts indeed will help to realize performance contracts thereby enhancing achievement of the desired service delivery as established by this study

The goal setting theory emphasizes the need for workers and management to negotiate targets to be achieved prior to undertaking tasks. It states that when workers are involved in setting goals, they often find it easy setting higher goals. Choice of the goal setting theory is appropriate for it agrees with this study because performance contracting process requires that individuals that are tasked with the responsibility of leading sections should identify performance targets, which should then be negotiated with senior managers and government representatives, before being negotiated with individual employees.

5.4.2 The Study Implications for Practice

The findings of this study will indeed contribute the practice of knowledge in performance contracting process. The study established that performance contracting indeed affects delivery of services in the public service in Kenya among the centres. But the relationship is enhanced by the moderators and as such policy makers must be aware of the moderators and

pay attention to them in order to realize increased service delivery

The study findings will affect practitioners in the area of performance contracting within the public service. The study established that performance contracting indeed affects service delivery but with a 32.4% leaving 67.6% to other factors as new knowledge. Resource factors and personal factors contributed 28.2% and 3.4% respectively. This therefore means that there are moderators other than resource factors and personal factors that moderate the relationship between performance contracting and service delivery.

The findings from this study are cardinal to the fact that resources are important if performance contracting activities are to succeed and enhance service delivery. The study outlined the type of resources that should be put in place before implementation of performance contracting. Among the resources are financial provisions that should be adequate and be disbursed on time if performance contracting activities are not to be slowed down. Without the financial resources, acquiring of all that is required will be very difficult to carry out.

The findings are a game changer for policy makers and implementers of performance contracting activities that signing of performance contracting with state agencies alone cannot achieve the intended objectives. To facilitate performance contracting process, personal factors surrounding individual workers must be considered before implementations. For instance workers should be involved in performance contracting process right from the onset so that they can develop the right attitude towards performance contracting and also have the right attitude towards adoption of performance contracting activities. This is what secures their support for the process because their fears are addressed early enough and as

such the process will move on smoothly.

The researchers and educationist have a task of finding out the other moderators that the study left out so that they are brought to the attention of policy makers. This is because the study has not accounted for 64% of service delivery in the public service in Kenya. This is a research gap to be taken up by future researchers. Literature has also been beefed up given the fact that now it's known that service delivery is not just a function of performance contracting but a number of other factors. This helps to sort out the reasons for mixed results on the effect of performance contracting on service delivery. The study has clearly brought out the ingredients for service delivery. This is new knowledge added to the existing one in the field of performance contracting.

5.5 Recommendations of the Study

In view of the findings and conclusions of the study, the following recommendations were made. Based on the first conclusion, it is recommended that, in order to enhance service delivery levels at Huduma Centres, the institutions should lay emphasis on the practices of performance contracting which include: that target identification, target negotiation, draft vetting, signing of performance contracts, submission of performance contracting reports, review of performance contracting targets, monitoring, moderation and ranking of performance contracting results. These practices were seen to positively enhance service delivery levels at Huduma centres in Kenya.

Based on the second conclusion that resource factors significantly and positively improves service delivery through its interactive effects with performance contracting practices, its

recommendation that Huduma centres in Kenya should provide adequate resource factors such the budget, communication channels, rules and regulations, employee involvement, computer and internet, office space as these factors can intensify the effect that performance contracting can have service delivery through an interaction effect.

Based on third conclusion that states that personal factors significantly and positively improves service delivery through its interactive effects with performance contracting practices, the study recommends that Huduma centres in Kenya should embrace personal factors such as open channels of communication, enough space, availability of computers and internet, availability of government policies, access to relevant information, rules and regulations on performance contracting, presence of managers to provide leadership and the continuous measurement of performance, as these practices can influence and enhance service delivery levels at Huduma Centre. Specifically, personal factors can intensify the effects that performance contracting can have on service delivery through interactive effect.

5.6 Limitations of the Study

Notwithstanding the immense contributions to the body of the knowledge on performance contracting and service delivery modeling, it is paramount to evaluate the results in the context of the study limitations. First, the choice of survey design as the preferred methodological choice for the study has a profound effect especially on the measurement problems. Surveys and their cross-sectional nature of data will imply that conclusions are generally limited by virtue of being collected at one point in time and do not give the sequence of events. However, studies based on cross-sectional data tend to provide information for subsequent studies in the same areas of interest. The second limitation relates to the fact that the current study focused only on the public sector service delivery in Kenya.

Concerns have been raised by previous scholars as to whether focus on a single industry was enough to make results of the study more generalizable to other industries. However, the focus of such a study conferred the obvious advantage of control for industry effects.

5.7 Suggestions for Further Studies

Based on the foregoing conclusions on the findings of this study, the researcher suggested the following future research directions in the field relating to the service quality-organizational performance relationship.

Firstly, this study used cross-sectional data to test the hypothesis on the relationship between performance contracting and service delivery and the subsequent moderating roles of the resource factors and personal factors in the relationship. It only provided a snapshot picture at a single point in time. Therefore, there is need to conduct a longitudinal study to provide even more conclusive evidence of the above relationship on performance contracting practices.

Given that the current study is limited to a one organization (Huduma centres) in one public sector, the assertion that the relationship between performance contracting and service delivery is moderated by resource factors and personal factors would need to be validated by further research. Perhaps an effective way to validate this assertion is by focusing future studies on various other unrelated industry players in both public and private sectors through comparative studies between the players.

Furthermore, the moderator variables should be expanded and validated beyond just resource factors and personal factors. For instance, questions like: What other moderators of the performance contracting/service delivery relationship exists other than the one researched about should be answered adequately

REFERENCES

- AAPAM (2006). *Towards an effective delivery of public services in Africa. Kenya's experiences with performance contracting*, Arusha Tanzania.
- Abass, K., Munga, J., & Were, E. (2017). The relationship between strategic implementation and performance in County Governments in Kenya. A case of Wajir County Government. *International Journal of Human Resource and Business Administration*. 2(3) 381-401
- Abe, T., & Monisola, J. (2014). Citizen participation and service delivery at the local level. A case of Ise/Ovun Local Government in Ekiti State, Nigeria. *Journal of Law, Policy and Globalization*. Vol 27
- Aguinis, H., Gottfredson R. K., & Joo, H. (2013). Best practice recommendations for defining, identifying, and handling outliers. *Organizational Research Methods*. 270301.
- Ahmad, S., & Schoeder, G. (2003). The impact of human resource practices on operational performance. *Journal of Operational Management*
- Aiken, L. S., & West, S. G. (1991). *Multiple regression: testing and interpreting interactions*. Newbury Park, CA: Sage.
- Akaranga, E. (2008). *The process and effects of performance contracting in Kenyan public states*: Nairobi. Retrieved from: <http://www.aibuma.org/proceedings/downloads/Akaranga,%20Kenya.pdf>
- Alford, J. (2012). *The implications of publicness for strategic management theory, in exploring public strategy*, Financial Times, Prentice Hall.
- Amin, S., Jishnu, D., & Goldstein, G. (2008). "Are you being served?" *The international bank for reconstruction*, 1818 H. Street NW, Washington DC 20433. ISBN; 978-0-8213-7185-5.
- Amnesty International (2013). *Police reforms in Kenya. A development in the ocean*. AI Publications. London, UK: Amnesty International Press
- Anga'nyo, M. (2019). Impact of performance contracting on public service delivery in the national Government administration in Kenya. A case of Eldoret west sub-county. *Journal of Public Administration and Governance* vol 9(2)
- Anthony, R. N., & Young, D.W. (1984). *Management control in non-profit organizations 3rd Ed*. Homewood: Richard D.Irwin.
- Aosa, E. (2000). "Development of strategic management: An historical perspective." University of Nairobi Press.

- Arimi, C. K., Maore, S., and Kerino, D. (2017). Factors influencing implementation of performance contracting in public institution in Kenya. A case of the ministry of sports, culture and the arts. *International Journal of Business Management and Finance*.1(12): 192-211
- Armstrong, M. (2005). *A handbook of human resource management practice*. (9th Ed.). London: Kogan Page.
- Armstrong, M. (2006). *Performance management: Key strategies and practical guidelines*, 3rd Ed. MPG Books Ltd., Bodin, Cornwall.
- Armstrong, M., & Baron, A. (2004). *Managing performance. Performance management in action*. London: Chartered institute of personnel and development
- Babbie, E.,& Muoton, J. (2001). *The practice of social research*, Oxford University Press.
- Baclays Africa (1997). *Barclays Africa: Management performance workbook*, Pool Dorset: Barclays Bank Plc.
- Banacos, P. (2011). *Box and whisker plots for local climate datasets: Interpretation and creation using excel 2007/2010*. PLC
- Baraldi, A.N.,& Enders, C.K. (2010). An introduction to modern missing data analyses. *Journal of School Psychology* 48: 5–37.
- Baskarada, S., & Koronios, T. (2018) "A philosophical discussion of qualitative, quantitative, and mixed methods research in social science", *Qualitative Research Journal*, Vol. 18 Issue: 1, pp.2 21, <https://doi.org/10.1108/QRJ-D-17-00042>.
- Bjorkman, M. (2006). *Public funding in the educational sector and its effects on test scores in essays on empirical development economics: education, health and gender*, IIES Monograph Series no. 56, StockholmUniversity.
- Bouckaert, G., Verhoest, K.,& De Corte, J. (2007). *Public sector performance contracting in Belgium and Flanders. Public management committee*, OECD.
- CAFRAD (2010, March). *Performance and results- based management in the African public sector institutions and state agencies: Implementation strategies, challenges and practical solutions. A capacity-improvement workshop for CAFRAD national focal points, Concept Paper Banjul, Gambia...* Retrieved from <http://www.cafrad.org>
- Bouwman, H. (2013). *The role of corporate culture in mergers and acquisitions*. Nova Science Publishers
- Byamukama, B. (2012). *Performance Contracts and social service delivery lessons from Rwanda*. Retrieved from <http://www.genocideresearchhub.org.rw/document/performance- contract-social-service-delivery-lessons-rwanda>

- Charles, P. (2009). *The new public management in developing countries*: Precinct Centre, Oxford Road, Manchester M13 9GH, UK.
- CIDA (2001). *Results based management in CIDA: An introductory guide to concepts and principles: Result-based performance review division performance review division performance review branch*. Author. Retrieved from <http://www.cidaecco.org>.
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences second edition*. Lawrence Erlbaum Associates, Publishers
- Cohen, L., Manion, L., & Morrison, K. (2007). *Research methods in education*. London: Routledge
- Cooper, D., & Schilndler, S. (2006). *Business research methods, 9th Ed*. New York, McGraw Hill.
- Cole, R. (2017). A comparison of leadership theories in an organizational environment. *International Journal of Business Administration*. 8(5) 28-35
- Cyril, I. (2012). *Worker's perception of performance in selected public organizations in Lagos, Nigeria*. University of Lagos Press
- Curristine, T. (2007). Improving public sector efficiency: Challenges and opportunities. *OECD Journal on budgeting Vol.7 No. 1*
- Creswell, J. W. (2014). *Research design: qualitative, quantitative and mixed methods approaches 4th ed*. London: Sage Publications Ltd
- David, P. (2014). Integrating mediators and moderators in research design. *Research on Social Work Practice*. PMC
- Davis, J. (2014). Procurement practices influencing service delivery. A case of Kenya power. *European Journal of Logistics, Purchasing and Supply Chain Management Vol. 2 No 3*.
- Dawson, R. (2011). How significant is a box plot outlier? *Journal of Statistics Education*. 19. 10.1080/10691898.2011.11889610.
- Dehn, Jan., Rival, R., & Jakob, S. (2005). *Survey tools for assessing performance in service delivery in the impact of economic policies on poverty and income distribution: evaluation techniques and tools*, edited by Francois. PLC
- Denrell, J. (2010). The performance of performance. *Journal of Management and Governance*
- Dessler, G. (2013), *Human resource management 9th ed*. Prentice Hall, New Jersey.
- Finkelstein, S., & Hambrick, D.C. (1996). *Strategic leadership: top executives and their effects on organizations*, New York: West.

- Draugalis, J., Coons, S., & Plaza, C. (2008). Best practices for survey research reports: A synopsis for authors and reviewers. *American Journal of Pharmaceutical Education*. 72. 11. 10.5688/aj720111.
- Dressler, G. (2003). *Human resource management* (9th Ed.) Prentice Hall, New Jersey.
- Drezner, T., Drezner, Z., & Kalcznski, P. (2012). Strategic location, improving existing and establishing new facilities. *Journal of the Operational Research Society Vol 63(12)* 1720- 1730
- Ducharme, (2005). Exploring the links between performance appraisal and satisfaction. *Compensation and Benefits Review*40-46
- Eigema, J. (2007). *Service delivery. A challenge for Local Government*. VNG International. Retrieved from www.vng-international.nl
- Elmore, R. F. (2007). *When good policies go bad: political accountability and quality of service in education*. Paper was prepared for the IPPMN Workshop on Rating and Ranking Public Services, Worcester College, Oxford, UK.
- Ernst, A. F., & Albers, C. J. (2017). *Regression assumptions in clinical psychology research practice-a systematic review of common misconceptions*. Peer J, 5, e3323. <https://doi.org/10.7717/peerj.3323>
- Fausiya, K., & Muia, J. (2019). Effect of financial resources on the delivery of devolved services in selected Counties in Kenya. *European Journal of Business and Management Vol 11(18)*
- Finkelstein, S., & Hambrick, C. (1996). *Strategic leadership: Top executives and their effects on organizations*, New York, West.
- Flora, K., & Kubaison, T. (2017). Influence of leadership styles on service delivery in Embu County Government, Kenya. *European Journal of Economics and Financial Research ISSN 2501-9430*
- Fraenkel, J. R., & Wallen, N. E. (2000). *How to design and evaluate research in education*. New York: McGraw-Hill.
- Gaitho, R. (2017). Leadership qualities and service delivery. A critical review literature. *Saudi Journal of Business and Management Studies*. 2 (6) 643-653
- Gakure, R. W., Stephen, M., & Orwa, G. (2013). The role of performance contracting in enhancing performance in civil service in Kenya, state department of infrastructure. *Journal of business management*
- Garson, G.D. (2012). *Hierarchical linear modeling: Guide and applications*. Thousand Oaks, CA: Sage Publications, Inc

- Gatere, A. W., Keraro, V. N., & Gakure, R. W. (2013). The impact of performance contracting on service delivery at the Teachers Service Commission in Kenya. *Prime Journal Business Administration and Management ISSN221-1261*.
- Geoffrey, K. N. (2013). An investigation of effects of performance contract on service delivery. A case study of the Nakuru sub-county in Nakuru County, Kenya. *International Journal of Science and Research*
- Gezare, D., Elegwa, M., & Kwasira, J. (2016). Rewards and recognition programmes and their influence on service delivery in State Corporations in Kenya. *International Journal of Education and Research*
- Gianakis, G. (2005). "The promise of public sector performance measurement": Anodyne or Placebo? *Public administration quarterly Vol.26, Pg. 34-64*.
- Gichovi, N. B. (2013). The effect of performance management on service delivery of Kenya parastatals: A case of the coffee board of Kenya. *Unpublished Master's Thesis: Kenyatta University*
- Githiri, M. (2015). Factors affecting service delivery: A case of standard chartered bank kenya. *Unpublished Master's Thesis: Kisii University*
- Gore, A. (1996). *The best-kept secrets in Government: A Report to President Bill Clinton, Washington DC*:
- Greiling, D. (2006). Performance measurement: a remedy for increasing the efficiency of public services. *International Journal of Productivity and Performance Management*.
- Grandal, A., & Mutuku, I. (2011). *Mgovernment exploratory surveys on Kenyan service delivery and government interaction*. Retrieved July 2015, http://ict4dem.dsv.su.se/Wp_consult/Files/ihub_M_Government_survey_on_kenyan_service_delivery_and_Government_interaction.pdf
- Hair, J.F., Black, W.C., Babin, B.J., & Anderson, R.E. (2010). *Multivariate data analysis. Seventh Edition*. Prentice Hall, Upper Saddle River, New Jersey
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis (8th ed.)*. Harlow, England: Pearson.
- Halachmi, A. (2011). Performance measurement as the only way of managing performance. *International Journal of Productivity and Performance Management 54(7): 502-516*
- Hammersley, M. (2013). *What is qualitative research?* London and New York: Bloomsbury.
- Hambick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review, 9:193-206*.
- Hannah, K., & Wambura, P. (2020). Performance management practices, organizational structures and service delivery. *Journal of Human Resource and Leadership Vol 5*

- Harris, D., & Leni, W. (2013). Funding solutions: making sense of the politics of service delivery. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publicationsopinion-files/8331.pdf>
- Harris, L. R., & Brown G. T. (2010). Mixing interview and questionnaire method; practical problems in aligning data. *Practical Assessment Research Evaluation, e Journal Vol. 15*
- Hauke, J., & Kossowski, T. (2011). Comparison of values of Pearson's and Spearman's correlation coefficient on the same sets of data. *Questions Geographical 30(2)*, *Bogucki Wydawnictwo Naukowe, Poznan, 87-93 figs.*
- Hayes, A.F. (2018). Partial, conditional, and moderated mediation: quantification, inference, and interpretation. *Communication Monographs, 85,4-40.*
- Hill, J. (2011). An economic view on the implementation of performance contracts by Dutch policies: *Erasmus University Rotterdam, Master's Thesis. Rotterdam, Retrieved from: www.era.lib.ed.ac.uk*
- Hirschman, A. O. (1980). *Exit, voice and loyalty responses to decline in firms, organizations and states*. Cambridge: Harvard University Press.
- Hogeboom, B. (2006). *Police and public credibility: On the professional performance of the Dutch local police officer: Den Haag: Elsevier Retrieved from www.rijksoverheid.nl/bestanden.*
- Hope, K. (2001). *The new public management: Context and practice in Africa*. Prentice Hall.
- Hope, S. (2013) Performance contracting as a performance management tool in the public sector in Kenya. Lessons of learning. *Journal of Teaching Public Administration 3(2)*, 204-207. Retrieved from <http://dx.doi.org/10.1177/0144739413488905>
- Jacob, N., Christopher, M., & Harriet, K. (2015). Monitoring and evaluation skills, performance contracting systems and organizational performance in government ministries in Kenya. *International Journal of Scientific and Research Publications. Vol 5, ISSN 2250-3153*
- Kariuki, F. (2012). Factors affecting implementation of performance contract initiatives at Municipal Council of Maua Kenya: *Research Journal of Finance and Accounting ISSN 2222- 1697.*
- Kasomo, D. (2006). *Research methods in humanities and education*. Egerton, Egerton University Press.
- Katelaar, A. N., Manning., & Turkisch, E. (2007). *Performance-based arrangements for senior civil servants OECD and other Country experiences. OECD Working Papers on Public Governance, 2007/5, OECD Publishing.doi:10.1787/ 160726630750.*

- Kawaguchi, D. (2003). Male- female wage and productivity differentials: A structural approach using Japanese firm-level panel data. *Econometric society Australian meetings* 303. Retrieved from://www.eurojournals.com/IRJFE_46_07.pdf
- Kemboi, A. (2016). Employee commitment. A case of vocational training centre Sikri, Kenya. *The journal of Business*
- Kervasdoue, J. (2007). *Rating and evaluating health systems: Reinforcing the partisan spirit or investigating the public good, paper prepared for the IPMN workshop, `ranking and rating public services*. Worcester College, Oxford. http: Retrieved fromhttp://wwwl.imp.unisg.ch
- Kivunja, C., & Kuyini, A. B. (2017). Understanding and applying research paradigms in educational contexts. *International Journal of Higher Education*, 6(5).
- Kobia M., & Mohammed, N. (2006). *The Kenyan experience with performance contracting: Discussion paper*, 28th AAPAM Annual Roundtable Conference, Arusha: Tanzania.
- Kobia M., & Mohammed, N. (2008). *The Kenyan experience with performance contracting. A paper presented in the 28th conference of the African Association of Management Professionals-Arusha*. AAPAM Tanzania
- Kogei, K. (2015). *Effects of leadership development strategies on service delivery at Kenya National Hospital*. University of Nairobi Press
- Kogei K., Magugui K., Chepkemei A., & Chebet, L. (2013). The effect of performance contracting on service delivery in public sector. Focus on supply chain department Moi teaching and referral hospital Eldoret. *International Journal of Business and Commerce ISSN 2225-2436*.
- Kwedho, F. (2015). Effectiveness of performance contracting among secondary schools teachers in Nairobi city County, Kenya. *Journal of Political Science*
- Laerd, Statistics. (2015). *Simple linear regression using SPSS Statistics. Statistical tutorials and software guides*. Retrieved from <https://statistics.laerd.com/>
- Ledgerwood, J. (2000). *Microfinance handbook: An institutional and financial perspective*. Washington DC: The World bank
- Levin K. A. (2006). Study design: Cross-sectional studies. *Evidence-based Dentistry. Pub Med* (7):24–25
- Lin, C.H. (2014). Effects of cuisine experience, psychological, wellbeing and self-health perception on revisit intention. *Journal of Hospitality and Tourism Research* 38(2), 34-265. Retrieved from <http://dx.doi.org/10.1177/109634801245460>
- Lings, I. N. (2005). Internal market orientation construct and consequences. *Journal of Business Research*, 57(4), 405-413.

- Locke, E. A., & Latham, G. P. (2002). Building a practically useful of goal-setting and task motivation: A 35-year Odyssey. *American Psychological Association*, 57, 705-717.
- Loy, A., Follett, L., & Hofmann, H. (2015). Variations of Q-Q plots – the power of oureyes!. *The American Statistician*. 70. 10.1080/00031305.2015.1077728.
- Luo, Y., & Peng, M. (1999). Learning to compete in a transitional economy: experience, environment, and performance. *Journal of International Business Studies*, 1999. 30: 269- 295.27
- Macknnon, P. (2008). *Introduction to statistical mediation analysis*. Mahwah, NJ: Erlbaum.
- Maguigui, C. (2013). The effects of performance contracting on service delivery in the public sector: focus on the supply chain department of Moi Teaching & Referral hospital- Eldoret Kenya. *International Journal of Business and Commerce Vol. 2, No.6*
- Mahmood, J. (2012). The factors influencing consumers satisfaction and continuity to deal with e-banking service in Jordan. *Global Journal of Management and Business Research Vol 12 issue 14*
- Maina, J. (2017). The Role of public financial management practices on service delivery in selected Counties. Perspectives of members of County Assemblies. *Unpublished Thesis KCA*
- Manzini, S., & Shumba, V. (2014). An Investigation into the impact of training and development on the performance of public servants, at Passports Office in Bulawayo, Zimbabwe. *International Journal of Economics, Commerce and Management Vol 1(1)*
- Martin, J. (2005). *Organizational behaviour and management*. Thompson Learning London
- Martin, L. (2003). *Performance-based contracting for human services: A review of literature*, Florida University of Central Florida, working paper No.1
- Martin, L. (2005). Performance based contracting for human resources: Does it work? *Administration in Social Work Vol 29(1) University of Central Florida*.
- Martin, L. L. (2000). “Performance contracting in the human services: An analysis of selected State practices”. *Administration in Social Work 24.2: 29-44*.
- Masconi, K.L., Matsha, T.E., Erasmus, R.T., Kengne, A.P. (2015). *Effects of different Missing data imputation techniques on the performance of undiagnosed Diabetes Risk Prediction Models in a Mixed-Ancestry Population of South Africa*. PLoS ONE 10(9): e0139210. <https://doi.org/10.1371/journal.pone.0139210>
- Mauya, E. N. (2015). The Importance of setting performance targets on service delivery in performance contracting at the Ministry of Tourism. *A Global Journal of Human Resource Management*

- Mbua P., & Sarisar J., (2012), Concept of performance contracting- Kenyan scenario/experience: *Developing Country Studies ISSN 2224-607X (Paper) ISSN 2225-0565 (online)*.
- Mbua P., & Sarisar J., (2013). Challenges in the implementation of performance contracting initiative in Kenya. *Public Policy and Administration Research ISSN 2224-5731*
- Mburugu, (2005). Public Sector Performance Contracts? Another management fad will they work? *Journal of the Institute of Certified Public Secretaries of Kenya*.
- McKelvey, Richard. D., & Thomas, R. (1996). A statistical theory of equilibrium in games. *Japanese Economic Review 47:2, 186-209*.
- Mercy, M. (2013). *Effects of e-Government strategy on service delivery in the Government Ministries in Kenya*. University of Nairobi Press
- Merwe, J., Van Graan, J., & Ukpere, W. (2013). Effective service delivery. A challenge for policing. *Mediterranean Journal of Social Sciences. 4(14) 627-633*
- Mifflin, T. (2009). *The American heritage dictionary of business terms*, Published by Houghton Mifflin Harcourt Publishing Company.
- Miller, D., Friesen, P. H. (1983). Strategic-making and environment: The third link. *Strategic Management Journal, Vol. 4: 221-235*.
- Montgomery, C. (1994). Corporate diversification. *Journal of Economic Perspectives*.
Moy, P. (2005). *Best practices and trends in performance based contracting a final report submitted to office of financial management; 210, 11th Ave. S. W. Rm. 311, Olympia, Washington D. C. 98504*.
- Mugenda O., & Mugenda G. (1999). *Research methods, quantitative and qualitative approaches*. Nairobi: African Centre for technology studies.
- Mugenda, A. G. (2008). *Social sciences research*. Nairobi: Applied Research Training Services Publishes.
- Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods: qualitative and quantitative techniques*, Nairobi: Acts Press.
- Mugumbi, M. (2014). *Effects of e-government on service delivery in the government ministries in Kenya*. [Chss.uonbi.ac.ke/sites/default/chss/effects of e-government strategy.pdf](http://chss.uonbi.ac.ke/sites/default/chss/effects%20of%20e-government%20strategy.pdf)
- Mulei, J., & Orodho, A. (2016). Performance contracting: what is the efficacy in management of secondary schools in Makueni County. *Journal of research and methods in education vol6(6), 30-38*
- Muralidharan, R. (1997). *Strategic control for fast moving markets: updating the strategic and monitoring the performance"*, Long Range Planning.

- Muriithi, B. W. (2019). Factors influencing implementation of performance contracting in public secondary schools. A case of Igembe South sub county Meru County, Kenya. *Journal of Business*
- Muruiki, J. (2019). *Role of performance contracting on strategy implementation in commercial state corporations in Kenya*. New Delhi
- Musa, P. D. (2001). *Contract plans and public enterprise performance: Tangier, Morocco*. Retrieved from: <http://www.cafrad.org>
- Muthaura, K. (2007). *Performance contracting in Kenya. Restoring trust in Government through innovations to promote quality of public service*. Nairobi: Government Printer
- Muthui, A. (2016). Factors influencing service delivery in county government in Kenya. A study of county government of Kitui. *Unpublished Master's Thesis: KCA University*
- Mutiso, C. (2013). *Relationship between human resource management practices and quality service delivery in Kenyan secondary schools in Taita Taveta County*.ir [library.ku.ac.ke/bitstream/handle/123456789/10199/relationship between human resource.pdf](http://library.ku.ac.ke/bitstream/handle/123456789/10199/relationship%20between%20human%20resource.pdf)
- Mwandia, K. (2012). *Factors influencing performance contracts on Kenyan public management service delivery. A case of Ewaso Ngiro North Development Authority*. University of Nairobi Press.
- Mwangi, A. (2014). Study of factors affecting service delivery under performance contracting in the County Government of Laikipia. *Unpublished Master's Thesis. Greta University*
- Mwangi, S. (2017). Influence of human resource management on performance contracting results in Local authorities in Kenya. *Journal of Human Resource and Leadership*
- Myers, T. (2011). Goodbye, listwise deletion: presenting hot deck imputation as an easy and effective tool for handling missing data. *Communication Methods and Measures*. 5. 297-310. 10.1080/19312458.2011.624490.
- Nahavandi, A. (2006). *The art and science of leadership*. Upper Saddle River, NJ: Prentice Hall.
- Nakabandi, A. (2006). *The art and science of leadership*. Edinburg Gate Hallow Essex England: Pearson Educ.
- Neuman, W. L. (2007). *Basics of social research qualitative and quantitative approaches*. Allyn and Bacon, Boston.
- Ndagijimana, I. (2020). Enhancing effectiveness of public services performance through performance contracts in Rwanda. *International Journal of Research and Innovation Social Sciences*

- Ndubai, R., Mbeche, I., & Pokhaliyal, G. (2019). Study of the moderating effect of global competitiveness on the relationship between performance contracting and measurement and public service delivery in Kenya. *International Journal of Economics, Commerce and Management*. ISSN 2248 0386 Vol.8
- Nganyiet, J. S., Shigogodi, J. M., and Owano, A. (2014). The effectiveness of performance contracting in service delivery in public universities in Kenya. *International Journal of Academic Research in Business and Social Sciences*, 4(10), 413
- Ngugi, J., Susan, W., & Titany, L. (2012). The factors influencing service delivery in national police service. a case of Kenya Police Nairobi County. *Journal of Research in International Business and Management Vol2(11)*
- Ngui, T. (2014). Effects of rewards and compensation strategies on the performance of Commercial Banks in Kenya. *International Journal of Education and Research*. Vol 2(1)
- Nguthuri, J. M., Maringa, A.K., & George, G.E. (2013). *An Evaluation of the Performance Contracting on Organisation Performance: A Case of Kenyatta University, Kenya*.
- Njoroge, G., Changeiywo, M., & Ndirangu, M. (2014). Effects of inquiry based teaching approach on secondary schools students achievements and motivation in physics in Nyeri County, Kenya. *International Journal of Academic Research in Education and Review*. ISSN 2360-7866
- Njoroge, K., Pokhariyal, G., Ongeti, W., & Kininu, D. (2015). Does performance contracting matter? The moderating influence of performance contracting on the relationship between strategy implementation and performance of Kenya state corporations. *Journal of Business Administration and Management*. ISSN:2251-1241. Vol 5(11)
- Njoroge, W. (2013). *Employee factors and perceived service quality in the Hotel industry in Nairobi Kenya*.chss.uonbi.ac.ke/sites/default/files/chss/Njoroge Winfred pdf
- Norman, R. (2004). *Research methodology. A step-by-step guide for beginners*. London sage public ltd
- Numoko, D.,& Azumah, S. (2009). *An analysis of New Zealand new system of public sector: OECD,Paris*
- Nzuve, M., & Kaimuri, N. (2013). Perceived factors affecting performance management among local authorities in kenya. A case of city council of Nairobi. *Journal of Management Research Vol 22(3)*, 55-69
- Obong'o, S. O. (2009). Implementing performance contracting in Kenya. *International Journal of Public Management*. Retrieved from:<http://www.imp.unisg.ch/org>.
- Ochieng, O. (2010). *Public sector reforms and performance contracting: A case study Kenya*. Retrieved from <http://www.scribid.com/doc/42930427/performance-contracting-inkenya>

- O'Donnell, M., & Turner, M, (2005). Exporting new public management: performance agreements in a pacific microstate. *International Journal of Public Sector Management* 80118.
- OECD, (1997). *In search of results: Performance management practices in ten OECD countries*. Paris: Public Management Committee, OECD.
- OECD,(1997). *In search of results: Performance management practice*. Paris, France. Retrieved from:<http://www.oecd.org>
- Ochoti, N., Maronga, E., Muathe, S., & Nyabwanga, N. (2012). *Factors affecting employee performance appraisal system. A case of the ministry of state for provincial administration and internal security*. OECD, Pristine
- Ogola, G., & Nzulwa, J. (2018). Influence of performance contracting on service delivery in State Corporations in Kenya. A case of Kenya National Examination Council. *Journal of Management Vol 5(4) 170-192*
- Omari, S., Nyaigo, D., Onyango, J., & Yobes, J. (2013). An evaluation of the effect of performance contracting on organizational performance. A case of the operations of the ministry of housing headquarters, Nairobi, Kenya. *International Journal of Human Resource Management and Procurement. Vol 1(3)*
- Omboi, B. (2011). Factors affecting implementation of performance contract initiative at Municipal Council of Maua-Kenya. *Research Journal of Finance and Accounting Operations*.
- Omondi, B. (2016). *Factors influencing service delivery in public Hospitals. A case of Nairobi County Kenya*. [Erepository.uonbi.ac.ke/bitstream/handle/11295/97284/final report- Brian Kenya](http://erepository.uonbi.ac.ke/bitstream/handle/11295/97284/final-report-Brian%20Kenya)
- Onsongo, E. (2018). The relationship between management development practices and service delivery in the Kenyan public universities; moderating effect of organizational variables and top management characteristics. *Unpublished PHD Thesis: Kisumu University*
- Oluoch, D. (2014). The moderating effect of employee engagement on the relationship between strategic planning and organizational performance. *Unpublished Master's Thesis: United States International University, Africa*
- Orodho, J. (2005). *Elements of educational and social science research methods*. Bureau of Education Research, Kenyatta University.
- Osman, M. (2014). Government delivery systems: Effectiveness of local authorities in Perak Malaysia. *Procedia-Social and Behavioural Sciences Vol 153*
- Ostroff, C. (1992). The relationship between satisfaction, attitudes and performance organizational level analysis, *Journal of Applied Psychology*.

- Oyugi, W. (2015). The performance of higher civil service on policy management. *Journal of Business and Management*
- Palfrey, C., Philips C., Thomas P., & Edward, D. (1992). *Policy evaluation in the public sector*. Hants: Avebury. Paris. Retrieved from <http://www.oecd.org/dataoecd/10/63/1902738.pdf>
- Polit, D.F., & Beck, C.T. (2012). *Nursing research: Generating and assessing evidence for nursing practice*. 9th Edition, Lippincott, Williams & Wilkins, Philadelphia.
- Pollit, C. (1988). "Bringing consumers into performance measurement", *Policy and Politics* 16, 77-87.
- Porter, M. E. (1983). "Industrial and the evolution of concept for strategic planning: The new learning. *Managerial and Decision Economics*, IV. 3
- PWC, (2007). *The Road ahead for public service delivery on customer promise*. Derek Browne. South Africa
- Qadeer, S. (2013), Service quality and customer satisfaction. A case study in banking industry. www.diva-portal.org/smash/get/diva2.706160/FULLTEXT02.pdf
- Rajasekar, J. (2014). Factors affective effective strategy implementation in a service delivery industry. *International Journal of Business and Social Sciences*. 5 Vol 5
- Reza, B., & Chittoo, H. (2008). An Investigation on healthy information system in the public sector of Mauritius. *International Journal of Current Advanced Research Vol 6*
- Rhodes, R. A. W. (1987). "Developing the public service orientation, or let's add a soupcon of political theory", *Local Government Studies* (May-June), 63-73.
- Richard, Y., & Noor, S. (2014). Role of at the Ministry of Interior and Coordination of National Government. A case of Immigration Service. *Journal of Social Sciences and Entrepreneurship Vol 1(12)*
- Robbins, S. P., & Judge, T. A. (2007). *Organizational behaviour*. (12th ed.). Upper Saddle River, NJ: Prentice Hall.
- Rotich, K., Ochieng, I., Bett, C., & Florence, O. (2014). Effects of performance contracting implementation on service delivery. A study in provincial administration of Kenya. *European Journal of Business and Management vol 6(15)*
- Republic of Kenya. (2001). *A strategy for performance improvement in the public service*. Nairobi: Government Printer.
- Republic of Kenya. (2003). *Economic recovery strategy for wealth and employment creation*. Nairobi: Government Printer.

- Republic of Kenya. (2005). *Ministry human resources development strategy*. Government Printers: Nairobi.
- Republic of Kenya. (2006). *Results for Kenyans: Capacity building programme for transforming the public service reform and development secretariat*. Government Printer.
- Republic of Kenya. (2006). *Results for Kenyans: Capacity building programme for transforming the public service, Public Service Reform and Development Secretariat, December, 2006*. Government Printer
- Republic of Kenya. (2013). *Report of the presidential taskforce on state corporation reforms*. Nairobi Government printer
- Saleemi, N. A. (2006). *Principles and practice of management simplified*. (Rev. ed.). Nairobi: ACME Press (Kenya) Limited.
- Salkind, N. J. (2010). Pre-experimental designs. In *Encyclopedia of Research Design*. <https://doi.org/10.4135/978141296188.n330>
- Sani, D. (2012). Strategic human resource management and organizational performance in the Nigerian insurance industry. The impact of organizational climate in business intelligence *Journal-January*.
- Schick, A. (1998). *Why most developing countries should not try New Zealand's reforms*. *The World Bank research observer*, Washington. Retrieved from: <http://www.oecd.org>
- Sciedu, L., Hamoud, M., Tarhini, A., Akour, A., & Al-Salti, Z. (2016). Developing the main knowledge management process via social media in it organizations. A conceptual perspective. *International Journal of Business Administration Vol7(5) 49*
- Sean, C. (2009). *Important performance management tasks that often are forgotten*; <http://www.hrmguide.com/performance/5-tasks.ht>. service.
- Sifuna, N. (2012). leadership in Kenya public university and challenges of autonomy. *Research in Higher Educational Journal*
- Sija, B. (2019). Significance of hypothesis in research. *Indian Journal of Holistic Nursing vol 10*
- Serdar, B. (2014). Productivity and service quality. Factors affecting in service industry. *Procedia- social and Behavioural Sciences Vol.109*
- Sharma, G. (2017). Pros and cons of different sampling techniques. *International Journal of Applied Research, 3(7): 749-752*
- Shirley, M., & Lixin, Colin Xu. (1997). "Empirical effects of performance contracts: evidence from China". World Bank, development research group, Washington, D.C.

- Shirley, M., & Xu, L. (2001). Empirical effects of performance contracts: evidence from China. *Journal of Law, Economics, and Organization*, 17(1). Washington.
- Shirley, M. (1998). *Public policy for private sector, "Why performance contracts for state owned enterprises haven't worked"*. Policy Research Working Paper 1769. World Bank, Development Research Group, Washington, D. C.
- Shirley, M. (2000). *Corporate governance of state-owned enterprises in China: Why performance contracts for state-owned enterprises haven't worked*. World Bank report: China Monetary Fund Finance and Development, Vol. 35 No.2(June).
- Simon, A., Kafel, P., Novicki, J., & Casedesus, M. (2015). The development of complaint handling standard in spa companies: A case study analysis in Spain. *International Journal for Quality Research*. Vol. 9(4)
- Smith, P. (1993). Outcome related performance indicators and organizational control in public sector. *British Journal of Management* vol 4
- Skirbekk, V. (2003). *Age and individual productivity: A literature survey*. Max Planck.
- Sneglar, R., Kemp R., & Brace, N. (2012). *SPSS for Psychologists, fifth edition*. Routledge Academic, UK.
- Sonja, E. (1999). Public sector performance contracting in New Zealand: Case studies of the Ministry of Justice and Department for Courts, [PUMA/PAC (99)2] *State Services Commission, New Zealand*. Retrieved from: <http://www.oecd.org>
- Spaulding, L., & Barnow, B. (2004). Performance based contracting under the job training partnership act. *University of Hopkins, Master's Thesis*. Retrieved from: http://pexas.edu/.../Rockefeller_Institute_Final_Report2-10-05.pdf
- Steiner, G. A. (1983). "Formal strategic planning in the United States today". *Long Range Planning Journal*, Vol. 16,3, June, pp. 12-17.
- Stephen, B. (2012). A correlation analysis of the demand for education and economic growth in Nigeria: The Spearman rank correlation coefficient approach. *Journal of Emerging Trends in Educational Research and Policy Studies (JETERAPS)* 3 (2): 21-125.
- Stevens, J.P. (2009). *Applied multivariate statistics for the social sciences (5th Ed.)*. New York, NY: Routledge.
- Sugarman, B. (2010). organizational learning and reforms at New York Police Department. *Journal of Applied Behavioural science*
- Tabachnick, B.G., & Fidell, L.S. (2013). *Using multivariate statistics*. Pearson, Boston.
- Therkildsen, O. (2001). "Efficiency, accountability and implementation, public sector reform in East and Southern Africa", *democracy, governance and human rights programme paper*, Number 3, UNRISD. Geneva.

- Thompson, A., & Strickland, J. (2007). *Crafting and executing strategy. Texts and readings.* McGraw Hill 10th Edition
- Trivedi, P. (2007). Performance contracts in Kenya: instruments for operationalizing good governance: *theworldbank* . Retrieved from: <http://www.unpan.org/.../Publications/Public%20Enterpris%20>
- Trivedi, P. (2008). *Design and implementing mechanisms to enhance accountability for State-owned enterprises. Public enterprises: Unresolved challenges and new opportunities.* United Nations. Retrieved from: www.unpan.org/.../Publications/Public%20Enterprises%20:
- Twanga, R. (2016). *Leadership styles and service delivery in the Ministry of East African Community, Labour and Social Protection Kenya.* University of Nairobi Press
- UK Aid, (2011). *The impact of public sector reforms on service delivery.* World Vision Kenya, Nairobi.
- UNDP. (2006). *Incentive systems, motivation and development performance. conference paper.* New York: UNDP
- Uusikyla, P., & Virtanen, P. (1999). *Public sector performance contracting in Finland:* Retrieved from <http://www.oecd.org/dataoecd/10/63/1902738.pdf>
- Van Dooren, Wouter, Bouckaert, Geert., & Halligan, John. (2010). *Performance management in the public sector.* Routledge: Great Britain. Retrieved from: <http://www.routledge.com/books/details/9780415371056/>
- Verbeek, M. (2012). *A guide to modern econometrics (4th edition).* Chichester: John Wiley & Sons. pp. 117-118.
- Verhoest, Koen., Verschuere, Bram., & Bouckaert, Geert. (2007). Pressure, legitimacy, and innovative behaviour by public organizations. *International Journal of Policy, Administration, and Institutions.*
- Verner, D. (2000). *Wage and productivity gaps: evidence from China.* The World Bank.
- Vollaard, B. (2003). *Performance contracts for police forces. The Hague: CPB Netherlands Bureau for Economic Policy Analysis.* Retrieved from: <http://www.cpb.nl/sites/default/.. /performance-contrasts-police-forces>. Pdf
- Wanjau, K., & Muiruri, B. (2012). Factors affecting provision of service quality in the Public Health Sector. A case of Kenyatta National Hospital. *International Journal of Humanity and Social Sciences Vol. 2 No. 13*
- Wanyoike, G. (2015). *The effect of capital management on performance of water services in Kenya.* University of Nairobi Press

- Wesonga, J. N., Sewe, T., & Ng'ang'a, M. J. (2012). The challenges facing implementation of performance contracts in state corporations in Kenya, *Research Journal in Organizational Psychology & Educational Studies* 1(5)284-288.
- Williams, R. S. (2004). Performance management: perspectives on employee in Developing Countries and in Countries with economies in transition London, *International Thompson Business Press*.
- Wilson, T. (2005). The message is the method. celebrating and exporting the experimental approach. *Psychological Inquiry*
- Winnie, W. (2014). Factors affecting customer expectations on service delivery in an organization. A case of Wynton House of Music. *Summer vol 4*.
- World Bank, (2003). *Building institutions for markets* (World Development Report (2004). Oxford University Press, U. K.
- World Bank, (2007). *A Decade of measuring the quality of governance: Governance matters 2007-Worldwide Governance Indicators, 1996 to 2006*.
- World Bank, (2008). *Leveraging complaints handling in projects*. Washington DC. RetrievedFrom<http://www.siteresources.worldbank.org/INTPREMNET/RESOURCES/GACReports.pdf>.
- World Bank, (2003). *Building Institutions for Markets* (World Development Report 2004). Oxford University Press: Oxford, U.K.
- Zysman, J., (2006). The algorithmic revolution- the fourth service transformation, *Communication of the ACM*.
- Zysman, J., (2007). *Navigating the services transformation: competition, productivity, and the new logic of value*. CITRICS - Europe Research Symposium 2007.

APPENDICES

APPENDIX I: QUESTIONNAIRE FOR HUDUMA CENTRE EMPLOYEES

SECTION A: GENERAL INFORMATION

1. Indicate your Gender Male.....Female.....
2. Level of education - Please tick the highest level reached.
 - i. Primary School()
 - ii. Secondary level()
 - iii. Diploma()
 - iv. University Degree ()
 - v. Postgraduate Degree()
3. How many years have you been working at your current department? (tick one)
 - i. One year to 3 Years ()
 - ii. Four years to 7 Years()
 - iii. Eight years to 11 Years()
 - iv. Twelve years and More Years()

SECTION B: Performance Contracting

On the Scale of 1-5 rank how the indicators as they relate to performance contracting at Huduma Centres. Where 1=Strongly Disagree, 2= Disagree, 3=Not Sure, 4=Agree and 5=Strongly Agree.

| | FACTORS | 1 | 2 | 3 | 4 | 5 |
|----|---|---|---|---|---|---|
| 1. | Accurate identification of performance targets done | | | | | |
| 2. | There is timely negotiation of the targets | | | | | |
| 3. | Timely vetting of performance contracts | | | | | |
| 4 | Performance contracts signed | | | | | |
| 5 | Submission of performance reports done | | | | | |
| 6 | Reviewed performance of the targets | | | | | |
| 7 | Implementation, evaluation, moderation and ranking of performance | | | | | |
| 8 | Public announcement of performance evaluation results | | | | | |
| 9 | Reviewed performance contract guidelines | | | | | |

Section C: The Resource Factors

1. The following items reflect resource factors experienced at Huduma Centres. Please place a cross (X) in the column which most closely reflects your view about the statement on the effect of resource factors

| | | 5-stronglyagree, 4-agree, 3-not sure, 2-disagreeand 1- strongly disagree | | | | |
|-----|--|--|---|---|---|---|
| No | Statement | 1 | 2 | 3 | 4 | 5 |
| 1. | The contract is properly executed in our organization | | | | | |
| 2. | Available open channels of communication | | | | | |
| 3. | Enough office space for serving | | | | | |
| 4. | Availability of computer | | | | | |
| 5. | Adequate budget for the Centre | | | | | |
| 6. | Right for employee's involvement in target setting | | | | | |
| 7. | Specific policies given by the government | | | | | |
| 8. | Access of relevant information | | | | | |
| 9. | Rules and regulations to govern administration of the PC's | | | | | |
| 10. | Accessible Leaders/ managers | | | | | |
| 11. | Presence of continuous monitoring and measurement of performance | | | | | |

SECTION D: Personal Factors

The following are the items that relate to Personal factors at Huduma Centres.

Please place a cross (X) in the column which most closely reflects your view on the scale of 1-5. Where 1=Strongly Disagree, 2= Disagree, 3=Not Sure 4=Agree and 5=Strongly Agree on the contributions of personal factors

| Sno | PERSONAL FACTORS | 1 | 2 | 3 | 4 | 5 |
|------------|---|---|---|---|---|---|
| 1. | Level of education and training enhanced | | | | | |
| 2 | Suitable transfers of staff | | | | | |
| 3 | Enhances Work skills and experience | | | | | |
| 4 | Suitable work environment | | | | | |
| 5 | Positive employee relationship with the management | | | | | |
| 6 | Positive workers attitudes and beliefs | | | | | |
| 7 | Right perception towards adoption of Performance contract | | | | | |
| 8 | Suitable management styles used by managers | | | | | |
| 9 | Suitable position held | | | | | |
| 10 | Adoption of technology like use of internet | | | | | |
| 11 | Give rewards and punishment for results | | | | | |

SECTION E: Service Delivery

These are items that relates to service delivery at Huduma Centre. On the Scale of 1-5 Give you opinion on them where 1=Strongly Disagree, 2=Disagree=Not Sure 4=Agree and 5=Strongly Agree.

| | THE INDICATORS | 1 | 2 | 3 | 4 | 5 |
|----|--|---|---|---|---|---|
| 1 | High number of customers served | | | | | |
| 2 | Reduction in public complaints | | | | | |
| 3 | Increased revenue collection | | | | | |
| 4 | Access to complain channels | | | | | |
| 5 | Relatedness of the service to customers | | | | | |
| 7 | Reduction in bureaucracy | | | | | |
| 8 | Consistency of service | | | | | |
| 9 | Stability of service: can be repeated and quality maintained | | | | | |
| 10 | Accountability is key | | | | | |

APPENDIX II: RESEARCH DATA

| S. No | Performance Contracting | Service delivery | Resource factors | Personal factor | cross product bwtm Perf contr and resource factor | cross product bwtm Perf contr and resource factor |
|-------|-------------------------|------------------|------------------|-----------------|--|--|
| 1 | 3.889 | 4.000 | 2.182 | 4.091 | 8.485 | 15.909 |
| 2 | 1.000 | 1.222 | 1.182 | 1.273 | 1.182 | 1.273 |
| 3 | 1.778 | 4.000 | 4.727 | 1.818 | 8.404 | 3.232 |
| 4 | 3.889 | 4.222 | 2.091 | 4.091 | 8.131 | 15.909 |
| 5 | 3.889 | 4.111 | 1.909 | 4.182 | 7.424 | 16.263 |
| 6 | 2.111 | 4.111 | 2.182 | 1.545 | 4.606 | 3.263 |
| 7 | 4.000 | 4.111 | 1.909 | 4.273 | 7.636 | 17.091 |
| 8 | 3.889 | 4.000 | 2.182 | 4.364 | 8.485 | 16.970 |
| 9 | 3.889 | 4.333 | 2.364 | 4.091 | 9.192 | 15.909 |
| 10 | 4.000 | 4.000 | 2.091 | 4.091 | 8.364 | 16.364 |
| 11 | 3.889 | 4.000 | 2.364 | 3.909 | 9.192 | 15.202 |
| 12 | 4.000 | 3.889 | 2.182 | 4.091 | 8.727 | 16.364 |
| 13 | 4.000 | 4.111 | 1.909 | 4.091 | 7.636 | 16.364 |
| 14 | 3.778 | 3.778 | 2.000 | 4.000 | 7.556 | 15.111 |
| 15 | 4.000 | 4.444 | 2.273 | 4.364 | 9.091 | 17.455 |
| 16 | 3.889 | 4.444 | 1.818 | 4.273 | 7.071 | 16.616 |
| 17 | 4.556 | 4.444 | 1.818 | 4.364 | 8.283 | 19.879 |
| 18 | 4.111 | 4.222 | 2.000 | 4.364 | 8.222 | 17.939 |
| 19 | 4.000 | 4.000 | 1.818 | 4.091 | 7.273 | 16.364 |
| 20 | 3.778 | 3.778 | 2.455 | 3.818 | 9.273 | 14.424 |
| 21 | 3.778 | 4.444 | 1.909 | 4.182 | 7.212 | 15.798 |
| 22 | 1.000 | 1.000 | 1.909 | 1.364 | 1.909 | 1.364 |
| 23 | 3.667 | 3.778 | 2.182 | 4.182 | 8.000 | 15.333 |
| 24 | 4.000 | 4.556 | 2.000 | 4.364 | 8.000 | 17.455 |
| 25 | 3.889 | 4.333 | 1.727 | 4.455 | 6.717 | 17.323 |
| 26 | 4.111 | 4.111 | 1.909 | 4.273 | 7.848 | 17.566 |
| 27 | 3.667 | 4.222 | 2.273 | 3.909 | 8.333 | 14.333 |
| 28 | 4.000 | 3.889 | 1.818 | 4.273 | 7.273 | 17.091 |
| 29 | 3.667 | 4.222 | 1.909 | 4.273 | 7.000 | 15.667 |
| 30 | 3.667 | 3.667 | 2.182 | 4.000 | 8.000 | 14.667 |
| 31 | 4.667 | 4.333 | 1.818 | 4.545 | 8.485 | 21.212 |
| 32 | 4.111 | 4.444 | 2.000 | 4.273 | 8.222 | 17.566 |
| 33 | 2.778 | 4.000 | 1.909 | 4.273 | 5.303 | 11.869 |
| 34 | 4.000 | 4.000 | 1.818 | 4.000 | 7.273 | 16.000 |
| 35 | 3.778 | 3.667 | 1.909 | 4.000 | 7.212 | 15.111 |
| 36 | 3.667 | 3.778 | 2.091 | 3.818 | 7.667 | 14.000 |
| 37 | 4.000 | 4.444 | 1.818 | 4.545 | 7.273 | 18.182 |
| 38 | 3.778 | 4.222 | 2.091 | 3.818 | 7.899 | 14.424 |
| 39 | 4.111 | 4.556 | 1.909 | 4.364 | 7.848 | 17.939 |
| 40 | 4.111 | 4.333 | 2.091 | 4.091 | 8.596 | 16.818 |

| | | | | | | |
|----|-------|-------|-------|-------|-------|--------|
| 41 | 3.778 | 4.556 | 2.182 | 4.364 | 8.242 | 16.485 |
| 42 | 3.667 | 4.333 | 2.000 | 4.000 | 7.333 | 14.667 |
| 43 | 3.111 | 4.444 | 2.182 | 4.182 | 6.788 | 13.010 |
| 44 | 3.667 | 3.778 | 2.000 | 3.818 | 7.333 | 14.000 |
| 45 | 3.889 | 4.000 | 1.636 | 4.000 | 6.364 | 15.556 |
| 46 | 3.778 | 3.778 | 1.909 | 3.818 | 7.212 | 14.424 |
| 47 | 4.111 | 2.667 | 2.182 | 2.727 | 8.970 | 11.212 |
| 48 | 3.889 | 4.556 | 1.909 | 4.545 | 7.424 | 17.677 |
| 49 | 3.889 | 4.556 | 2.545 | 4.182 | 9.899 | 16.263 |
| 50 | 3.667 | 3.778 | 1.818 | 4.182 | 6.667 | 15.333 |
| 51 | 2.556 | 1.111 | 1.727 | 1.727 | 4.414 | 4.414 |
| 52 | 3.889 | 4.333 | 1.545 | 4.455 | 6.010 | 17.323 |
| 53 | 4.000 | 4.000 | 1.636 | 4.091 | 6.545 | 16.364 |
| 54 | 3.667 | 4.111 | 2.000 | 4.455 | 7.333 | 16.333 |
| 55 | 2.889 | 4.222 | 1.818 | 3.909 | 5.253 | 11.293 |
| 56 | 3.778 | 4.556 | 1.818 | 4.182 | 6.869 | 15.798 |
| 57 | 4.556 | 4.222 | 1.818 | 4.636 | 8.283 | 21.121 |
| 58 | 3.889 | 4.333 | 1.818 | 4.636 | 7.071 | 18.030 |
| 59 | 3.889 | 4.333 | 1.818 | 4.636 | 7.071 | 18.030 |
| 60 | 3.778 | 3.778 | 1.636 | 4.182 | 6.182 | 15.798 |
| 61 | 3.556 | 3.778 | 2.000 | 4.000 | 7.111 | 14.222 |
| 62 | 1.222 | 3.667 | 2.455 | 3.273 | 3.000 | 4.000 |
| 63 | 3.778 | 4.333 | 1.727 | 4.545 | 6.525 | 17.172 |
| 64 | 1.333 | 2.111 | 2.182 | 3.000 | 2.909 | 4.000 |
| 65 | 4.111 | 4.222 | 1.636 | 4.182 | 6.727 | 17.192 |
| 66 | 4.111 | 4.556 | 1.909 | 4.182 | 7.848 | 17.192 |
| 67 | 3.778 | 3.889 | 1.909 | 3.727 | 7.212 | 14.081 |
| 68 | 3.889 | 4.444 | 1.727 | 4.000 | 6.717 | 15.556 |

| | | | | | | |
|----|-------|-------|-------|-------|-------|--------|
| 69 | 3.667 | 4.556 | 2.273 | 4.182 | 8.333 | 15.333 |
| 70 | 3.778 | 4.556 | 2.091 | 4.545 | 7.899 | 17.172 |
| 71 | 2.444 | 2.778 | 2.636 | 2.364 | 6.444 | 5.778 |
| 72 | 4.111 | 3.889 | 1.909 | 4.455 | 7.848 | 18.313 |
| 73 | 3.667 | 3.778 | 1.636 | 4.091 | 6.000 | 15.000 |
| 74 | 4.556 | 3.889 | 1.818 | 4.545 | 8.283 | 20.707 |
| 75 | 3.667 | 4.333 | 1.727 | 4.455 | 6.333 | 16.333 |
| 76 | 4.000 | 4.556 | 1.727 | 4.000 | 6.909 | 16.000 |
| 77 | 4.222 | 4.444 | 1.909 | 4.545 | 8.061 | 19.192 |
| 78 | 4.111 | 3.667 | 2.182 | 4.091 | 8.970 | 16.818 |
| 79 | 1.667 | 2.778 | 1.818 | 2.364 | 3.030 | 3.939 |
| 80 | 3.778 | 3.778 | 1.818 | 3.727 | 6.869 | 14.081 |
| 81 | 4.222 | 4.444 | 1.818 | 4.273 | 7.677 | 18.040 |
| 82 | 3.667 | 4.333 | 1.909 | 4.545 | 7.000 | 16.667 |
| 83 | 3.111 | 4.000 | 2.727 | 3.636 | 8.485 | 11.313 |
| 84 | 4.111 | 3.778 | 1.545 | 4.182 | 6.354 | 17.192 |
| 85 | 3.778 | 4.333 | 1.636 | 3.909 | 6.182 | 14.768 |
| 86 | 4.556 | 4.556 | 1.727 | 4.000 | 7.869 | 18.222 |
| 87 | 4.111 | 4.444 | 1.455 | 4.455 | 5.980 | 18.313 |
| 88 | 3.444 | 4.000 | 2.182 | 4.000 | 7.515 | 13.778 |
| 89 | 3.778 | 1.889 | 2.455 | 3.636 | 9.273 | 13.737 |
| 90 | 3.667 | 3.778 | 2.000 | 3.636 | 7.333 | 13.333 |
| 91 | 3.778 | 4.000 | 2.273 | 4.091 | 8.586 | 15.455 |
| 92 | 4.111 | 3.667 | 2.091 | 4.000 | 8.596 | 16.444 |
| 93 | 4.667 | 4.333 | 1.636 | 4.727 | 7.636 | 22.061 |
| 94 | 3.889 | 4.444 | 1.727 | 3.909 | 6.717 | 15.202 |
| 95 | 3.889 | 4.111 | 2.091 | 4.727 | 8.131 | 18.384 |
| 96 | 3.778 | 3.889 | 1.909 | 3.636 | 7.212 | 13.737 |
| 97 | 3.778 | 3.778 | 2.364 | 3.545 | 8.929 | 13.394 |

| | | | | | | |
|-----|-------|-------|-------|-------|--------|--------|
| 98 | 4.222 | 4.111 | 1.636 | 4.364 | 6.909 | 18.424 |
| 99 | 4.111 | 4.222 | 1.455 | 4.182 | 5.980 | 17.192 |
| 100 | 4.222 | 4.000 | 1.727 | 4.364 | 7.293 | 18.424 |
| 101 | 4.556 | 4.444 | 1.364 | 4.545 | 6.212 | 20.707 |
| 102 | 3.444 | 3.778 | 2.000 | 1.545 | 6.889 | 5.323 |
| 103 | 4.111 | 3.667 | 1.818 | 4.000 | 7.475 | 16.444 |
| 104 | 3.667 | 3.778 | 1.909 | 3.636 | 7.000 | 13.333 |
| 105 | 4.111 | 4.222 | 1.364 | 4.273 | 5.606 | 17.566 |
| 106 | 3.556 | 4.111 | 1.909 | 4.455 | 6.788 | 15.838 |
| 107 | 3.667 | 4.000 | 1.455 | 4.364 | 5.333 | 16.000 |
| 108 | 2.222 | 2.444 | 3.091 | 2.545 | 6.869 | 5.657 |
| 109 | 4.222 | 4.111 | 2.000 | 4.636 | 8.444 | 19.576 |
| 110 | 4.000 | 4.778 | 2.273 | 4.636 | 9.091 | 18.545 |
| 111 | 3.778 | 4.222 | 2.182 | 4.727 | 8.242 | 17.859 |
| 112 | 3.667 | 3.556 | 2.545 | 3.545 | 9.333 | 13.000 |
| 113 | 3.778 | 3.333 | 2.000 | 3.909 | 7.556 | 14.768 |
| 114 | 3.444 | 2.778 | 2.455 | 4.091 | 8.455 | 14.091 |
| 115 | 1.222 | 1.222 | 3.091 | 2.455 | 3.778 | 3.000 |
| 116 | 3.889 | 4.333 | 1.818 | 4.818 | 7.071 | 18.737 |
| 117 | 1.667 | 1.444 | 2.636 | 1.455 | 4.394 | 2.424 |
| 118 | 3.444 | 4.111 | 2.636 | 2.636 | 9.081 | 9.081 |
| 119 | 3.889 | 4.444 | 3.000 | 4.000 | 11.667 | 15.556 |
| 120 | 3.667 | 4.000 | 1.636 | 3.727 | 6.000 | 13.667 |
| 121 | 4.333 | 4.333 | 1.818 | 4.455 | 7.879 | 19.303 |
| 122 | 4.000 | 4.778 | 2.636 | 4.455 | 10.545 | 17.818 |
| 123 | 4.000 | 4.444 | 2.182 | 3.727 | 8.727 | 14.909 |
| 124 | 3.778 | 4.222 | 2.636 | 3.545 | 9.960 | 13.394 |
| 125 | 4.333 | 4.111 | 1.818 | 4.273 | 7.879 | 18.515 |
| 126 | 4.000 | 4.778 | 2.545 | 4.636 | 10.182 | 18.545 |
| 127 | 4.000 | 4.778 | 2.545 | 4.636 | 10.182 | 18.545 |
| 128 | 4.333 | 4.556 | 1.545 | 4.455 | 6.697 | 19.303 |
| 129 | 3.111 | 4.333 | 1.455 | 4.636 | 4.525 | 14.424 |
| 130 | 4.333 | 4.222 | 1.909 | 4.636 | 8.273 | 20.091 |
| 131 | 2.889 | 4.222 | 2.091 | 4.636 | 6.040 | 13.394 |
| 132 | 3.778 | 4.556 | 1.273 | 4.455 | 4.808 | 16.828 |
| 133 | 3.000 | 4.556 | 3.000 | 2.545 | 9.000 | 7.636 |
| 134 | 3.556 | 4.333 | 2.818 | 2.636 | 10.020 | 9.374 |
| 135 | 4.333 | 4.444 | 1.909 | 4.727 | 8.273 | 20.485 |
| 136 | 3.444 | 3.556 | 2.000 | 4.182 | 6.889 | 14.404 |
| 137 | 2.667 | 2.778 | 2.364 | 3.455 | 6.303 | 9.212 |
| 138 | 4.333 | 4.556 | 1.818 | 4.182 | 7.879 | 18.121 |
| 139 | 5.000 | 5.000 | 1.000 | 4.727 | 5.000 | 23.636 |
| 140 | 3.667 | 3.778 | 3.273 | 3.818 | 12.000 | 14.000 |
| 141 | 4.000 | 3.333 | 2.455 | 3.727 | 9.818 | 14.909 |
| 142 | 4.667 | 4.556 | 1.455 | 4.818 | 6.788 | 22.485 |
| 143 | 3.667 | 4.222 | 2.273 | 3.455 | 8.333 | 12.667 |
| 144 | 3.667 | 4.111 | 1.727 | 3.545 | 6.333 | 13.000 |
| 145 | 3.667 | 4.889 | 2.182 | 4.545 | 8.000 | 16.667 |

| | | | | | | |
|-----|-------|-------|-------|-------|--------|--------|
| 146 | 3.889 | 3.222 | 2.818 | 3.818 | 10.960 | 14.848 |
| 147 | 4.444 | 4.333 | 1.909 | 4.455 | 8.485 | 19.798 |
| 148 | 2.556 | 2.667 | 3.182 | 3.545 | 8.131 | 9.061 |
| 149 | 4.333 | 3.778 | 1.909 | 4.091 | 8.273 | 17.727 |
| 150 | 5.000 | 5.000 | 1.000 | 4.727 | 5.000 | 23.636 |
| 151 | 4.111 | 3.333 | 2.636 | 2.091 | 10.838 | 8.596 |
| 152 | 4.333 | 4.333 | 1.636 | 3.000 | 7.091 | 13.000 |
| 153 | 3.889 | 3.889 | 2.727 | 4.727 | 10.606 | 18.384 |
| 154 | 4.444 | 4.556 | 1.909 | 4.636 | 8.485 | 20.606 |
| 155 | 2.556 | 1.556 | 3.273 | 2.545 | 8.364 | 6.505 |
| 156 | 4.000 | 4.556 | 2.000 | 3.636 | 8.000 | 14.545 |
| 157 | 4.556 | 4.667 | 1.000 | 4.455 | 4.556 | 20.293 |
| 158 | 3.667 | 4.000 | 1.727 | 3.455 | 6.333 | 12.667 |
| 159 | 5.000 | 3.111 | 4.636 | 3.000 | 23.182 | 15.000 |
| 160 | 3.667 | 3.111 | 1.818 | 2.818 | 6.667 | 10.333 |
| 161 | 3.333 | 2.444 | 3.000 | 3.273 | 10.000 | 10.909 |
| 162 | 3.778 | 4.444 | 3.364 | 4.000 | 12.707 | 15.111 |
| 163 | 4.000 | 3.444 | 1.364 | 4.364 | 5.455 | 17.455 |
| 164 | 2.000 | 5.000 | 2.000 | 2.909 | 4.000 | 5.818 |
| 165 | 4.778 | 4.000 | 1.091 | 4.727 | 5.212 | 22.586 |
| 166 | 3.889 | 3.667 | 1.727 | 3.455 | 6.717 | 13.434 |
| 167 | 4.222 | 4.111 | 1.364 | 4.091 | 5.758 | 17.273 |
| 168 | 3.444 | 3.444 | 3.091 | 2.909 | 10.646 | 10.020 |
| 169 | 3.667 | 4.778 | 2.545 | 3.727 | 9.333 | 13.667 |
| 170 | 5.000 | 5.000 | 2.636 | 1.000 | 13.182 | 5.000 |
| 171 | 4.444 | 4.556 | 2.091 | 4.818 | 9.293 | 21.414 |
| 172 | 2.000 | 4.000 | 3.091 | 3.364 | 6.182 | 6.727 |
| 173 | 4.444 | 4.778 | 1.636 | 4.727 | 7.273 | 21.010 |
| 174 | 4.000 | 4.778 | 3.000 | 4.636 | 12.000 | 18.545 |
| 175 | 4.111 | 3.222 | 1.818 | 3.091 | 7.475 | 12.707 |
| 176 | 4.444 | 4.556 | 1.455 | 4.364 | 6.465 | 19.394 |
| 177 | 3.889 | 3.111 | 1.727 | 4.182 | 6.717 | 16.263 |
| 178 | 3.778 | 4.667 | 2.273 | 3.545 | 8.586 | 13.394 |
| 179 | 4.778 | 4.444 | 1.273 | 5.000 | 6.081 | 23.889 |
| 180 | 1.778 | 1.000 | 1.091 | 1.182 | 1.939 | 2.101 |
| 181 | 4.889 | 4.000 | 2.545 | 4.909 | 12.444 | 24.000 |
| 182 | 1.889 | 1.333 | 3.273 | 4.273 | 6.182 | 8.071 |
| 183 | 5.000 | 5.000 | 2.000 | 5.000 | 10.000 | 25.000 |
| 184 | 5.000 | 5.000 | 2.000 | 5.000 | 10.000 | 25.000 |
| 185 | 5.000 | 5.000 | 2.000 | 5.000 | 10.000 | 25.000 |
| 186 | 5.000 | 5.000 | 2.000 | 5.000 | 10.000 | 25.000 |
| 187 | 4.111 | 3.111 | 4.000 | 2.455 | 16.444 | 10.091 |
| 188 | 3.333 | 3.667 | 3.182 | 2.455 | 10.606 | 8.182 |
| 189 | 5.000 | 5.000 | 1.545 | 5.000 | 7.727 | 25.000 |
| 190 | 4.444 | 3.778 | 1.636 | 4.455 | 7.273 | 19.798 |
| 191 | 3.111 | 3.333 | 3.091 | 4.364 | 9.616 | 13.576 |
| 192 | 4.000 | 4.667 | 3.182 | 4.636 | 12.727 | 18.545 |
| 193 | 1.556 | 3.333 | 3.273 | 2.636 | 5.091 | 4.101 |

| | | | | | | |
|-----|-------|-------|-------|-------|--------|--------|
| 194 | 1.556 | 3.222 | 2.909 | 3.273 | 4.525 | 5.091 |
| 195 | 2.889 | 3.444 | 1.000 | 1.545 | 2.889 | 4.465 |
| 196 | 4.111 | 4.111 | 4.000 | 3.364 | 16.444 | 13.828 |
| 197 | 3.222 | 4.444 | 2.273 | 2.000 | 7.323 | 6.444 |
| 198 | 2.444 | 3.556 | 3.545 | 3.727 | 8.667 | 9.111 |
| 199 | 5.000 | 4.889 | 1.182 | 4.909 | 5.909 | 24.545 |
| 200 | 4.444 | 5.000 | 3.182 | 4.091 | 14.141 | 18.182 |
| 201 | 3.444 | 3.000 | 2.909 | 2.455 | 10.020 | 8.455 |
| 202 | 3.222 | 4.333 | 1.818 | 3.182 | 5.859 | 10.253 |
| 203 | 2.667 | 2.889 | 1.636 | 1.636 | 4.364 | 4.364 |
| 204 | 4.778 | 3.333 | 1.182 | 4.636 | 5.646 | 22.152 |
| 205 | 4.222 | 3.222 | 2.545 | 3.545 | 10.747 | 14.970 |
| 206 | 4.444 | 4.556 | 1.636 | 3.818 | 7.273 | 16.970 |
| 207 | 4.444 | 4.556 | 1.364 | 5.000 | 6.061 | 22.222 |
| 208 | 4.556 | 3.000 | 3.273 | 3.545 | 14.909 | 16.152 |
| 209 | 4.444 | 3.333 | 2.545 | 2.727 | 11.313 | 12.121 |
| 210 | 4.444 | 4.111 | 1.182 | 5.000 | 5.253 | 22.222 |
| 211 | 2.556 | 4.556 | 1.091 | 1.364 | 2.788 | 3.485 |
| 212 | 4.000 | 4.556 | 3.545 | 4.727 | 14.182 | 18.909 |
| 213 | 4.444 | 4.778 | 1.455 | 4.545 | 6.465 | 20.202 |
| 214 | 4.444 | 4.556 | 1.273 | 4.545 | 5.657 | 20.202 |
| 215 | 3.222 | 2.667 | 3.455 | 3.273 | 11.131 | 10.545 |
| 216 | 3.000 | 3.000 | 4.455 | 2.455 | 13.364 | 7.364 |
| 217 | 3.889 | 3.111 | 1.818 | 5.000 | 7.071 | 19.444 |
| 218 | 1.667 | 5.000 | 3.364 | 3.000 | 5.606 | 5.000 |
| 219 | 3.000 | 3.000 | 2.182 | 3.000 | 6.545 | 9.000 |
| 220 | 3.111 | 4.444 | 1.545 | 4.909 | 4.808 | 15.273 |
| 221 | 2.333 | 4.111 | 3.818 | 4.091 | 8.909 | 9.545 |
| 222 | 3.222 | 2.111 | 2.364 | 3.727 | 7.616 | 12.010 |
| 223 | 4.444 | 3.667 | 4.182 | 4.000 | 18.586 | 17.778 |
| 224 | 3.333 | 4.000 | 3.545 | 5.000 | 11.818 | 16.667 |
| 225 | 4.111 | 4.000 | 4.455 | 3.727 | 18.313 | 15.323 |
| 226 | 4.556 | 2.778 | 3.364 | 5.000 | 15.323 | 22.778 |

Source: Survey Data (2019)

APPENDIX III: DATA APPROVAL LETTER BY MASENO UNIVERSITY



MASENO UNIVERSITY
SCHOOL OF GRADUATE STUDIES

Office of the Dean

Our Ref: PHD/BE/00177/014


Private Bag, MASENO, KENYA
Tel:(057)351 22/351008/351011
FAX: 254-057-351153/351221
Email: sgs@maseno.ac.ke

Date: 31st July, 2018

TO WHOM IT MAY CONCERN


RE: PROPOSAL APPROVAL FOR WESONGA JUSTUS NYONGESA —
PHD/BE/00177/014

The above named is registered in the Doctor of Philosophy in Business Administration Programme in the School of Business and Economics, Maseno University. This is to confirm that his research proposal titled "Analysis of Performance Contracting and Performance Contract Implementation on the Public Service Delivery in Huduma Centres in Kenya" has been approved for conduct of research subject to obtaining all other permissions/clearances that may be required beforehand.


Prof. J.O. Agure
DEAN, SCHOOL OF GRADUATE STUDIES



**APPENDIX IV: APPROVAL LETTER FOR DATA COLLECTION BY HUDUMA
SECRETARIAT**

REPUBLIC OF KENYA

**THE PRESIDENCY
MINISTRY OF PUBLIC SERVICE, YOUTH AND GENDER AFFAIRS
HUDUMA KENYA SECRETARIAT**

Telegraphic address: "Personnel", Nairobi
Telephone: 020-6900010
When Replying please quote

Ref. No. **MPYG/HUD.2/281**

P.O. BOX 47716-00100
NAIROBI
KENYA

4th June, 2018


Dean
School of Business and Economics
Maseno University
Maseno Kenya

ATTN: M. Wesonga Justus Nyongesa
Reg. No. PhD/BE/00177/2014
ID No. 11392659

**RESEARCH ON EFFECTS OF PERFORMANCE CONTRACTING AND
IMPLEMENTATION IN SERVICE DELIVERY IN THE PUBLIC SERVICE OF KENYA:
A CASE OF HUDUMA CENTERS IN WESTERN REGION**

Following your request to undertake the above captioned research as part of your PhD Studies, this is to inform you that your request has been approved and you can proceed to obtain information as regard your research from the target research respondents at Kisii, Kisumu, Kakamega, Eldoret and Nakuru Huduma Centers.

We wish you all the best in your study and look forward to get a copy of your final report.


Dennis Mutuku
SECRETARY/ CEO

Copy to: ✓ Centre Manager, Kisii Huduma Centre
Centre Manager, Kisumu Huduma Centre
Centre Manager, Kakamega Huduma Centre
Centre Manager, Eldoret Huduma Centre
Centre Manager, Nakuru Huduma Centre

APPENDIX V: APPROVAL LETTER FOR DATA COLLECTION BY NACOSTI



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349,3310571,2219420
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref No. **NACOSTI/P/19/43332/30557**

Date: **24th June, 2019.**

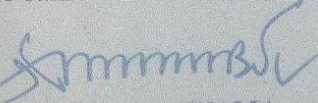
Justus Nyongesa Wesonga
Maasai Mara University
P.O. Box 861
NAROK.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Effects of performance contracting and implementation in service delivery in the public service of Kenya: A case of Huduma Centres in Western Region.”* I am pleased to inform you that you have been authorized to undertake research in **selected Counties** for the period ending **24th June, 2020.**

You are advised to report to **the County Commissioners, and the County Directors of Education, selected Counties** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Selected Counties.

The County Director of Education
Selected Counties.


APPENDIX VI: RESEARCH PERMIT BY NACOSTI

THIS IS TO CERTIFY THAT:


MR. JUSTUS NYONGESA WESONGA
of **MAASAI MARA UNIVERSITY,**
534-40200 KISII, has been permitted to
conduct research in **Kakamega , Kisii ,**
Kisumu , Nakuru , Uasin-Gishu
Counties


Permit No : **NACOSTI/P/19/43332/30557**
Date Of Issue ; **24th June, 2019**
Fee Received : **Ksh 2000**

on the topic: **EFFECTS OF**
PERFORMANCE CONTRACTING AND
IMPLEMENTATION IN SERVICE DELIVERY
IN THE PUBLIC SERVICE OF KENYA A
CASE OF HUDUMA-CENTRES IN
WESTERN REGION



for the period ending:
24th June, 2020


Applicant's
Signature


Director General
National Commission for Science,
Technology & Innovation