

**EMPLOYEE PERCEPTION OF PERFORMANCE CONTRACTING AT MULTIMEDIA
UNIVERSITY OF KENYA**

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DECLARATION

This research project is my original work and it has not been presented for a degree in any other university.

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This research project has been submitted for examination with our approval as the University Supervisors.

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DR. WANJIRU GICHUHI

DEDICATION

The main source behind this attempt was the inspiring wishes of my late father who nurtured this dream but could not live long enough to witness its accomplishment. This work is the highest formal educational achievement for me. I dedicate this work to my late father Mr. James Muchiri Ngata. May his soul rest in perfect peace.

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ABSTRACT

Performance contracting is a performance management tool that defines expectations and responsibilities of each of the parties involved to achieve mutually agreed results. Performance contracting process involves; work plan management, skills development, performance monitoring, evaluation and results. Successful implementation of performance contracting process depends on how employees perceive the process. It is important for organizations to understand the whole notion of perception and its related concepts to be able to determine factors that influence people's behavior. The General objective of the study was to establish employee perception of performance contracting in Multimedia University of Kenya (MMU). Stratified Simple Random Sampling was used and a total of 82 employees were interviewed. This accounted for 20percent of employees at MMU. Data was collected using a structured questionnaire with both closed and open ended questions which were self administered. SPSS V.20 was used to analyze and the data was managed through the use of MS-Excel. The results were presented using tables and figures which showed distribution of frequencies and percentages of responses. The study revealed that most employees did not participate in critical aspects of the performance contracting process. The University did not have a clear and fair system of performance evaluation. There was improvement in performance, work attitude, accountability and motivation as a result of the PC process. It is concluded that since employees were not involved in the performance contracting process, they did not own it and were not committed to it. They did not have capacity to conceptualize the process. The study recommended that the University should involve its employees in critical aspects of the performance contracting process to be able to win their ownership, commitment and support. It should also train and sensitize its employees on the performance contracting concept for successful implementation of the process. The study further recommended that the University should enhance the gains made so far as a result of performance contracting process. The study recommended further studies to investigate the influence of employee perception of PC on performance.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The urge to continually improve productivity dates back to the beginning of civilization. Fire, iron and stone tools invention qualify as oldest indicators of human efforts to increase production (International Society for Performance Improvement (ISPI), 2006). Initial theories explaining performance by economics in the 17th and 18th century assumed that if workers were hungry, then they would produce more. Philosophers such as Adam Smith (1776) in his publication “*The Wealth of Nations*” challenged this theory by arguing that if pay was proportional to performance, then productivity would increase (ISPI, 2006). If performance is measured, then it is enhanced both to the organization and to the individual and this encourages a culture of continuous improvement (Letsoalo, 2007). By measuring performance in the public service, public confidence that tax revenues are being used effectively is increased (Chartered Institute of Management Accountants (CIMA), 2010). Nzube and Njeru (2013) posits that a performance management system that is effective spell out expectations and ensures that individual performance goals are in line with those of an organization.

Performance contracting originated from performance management, a systematic process for improving the performance of organizations by developing and maintaining the performance of individuals and teams, Armstrong (2006). Performance management assures better results from individuals, teams and organizations when performance is understood and managed in an environment of predetermined and agreed upon goals, competency requirements and standards. Armstrong (2006) goes further to state that the ultimate goal of performance management is to ensure there is a right performance culture whereby an individual and teams hold themselves responsible for the continuous improvement of business processes, develop skills and contributions facilitated by existence of effective leadership. In the context, performance contracts mainly comprise two components; determination of performance targets agreed upon by all the parties involved and review and evaluation of performance in stipulated time periods.

According to Letsoalo (2007), Performance contracts are based on the assumption that measuring performance motivates effort towards achievement of expected results.

1.1.1 Performance Contracting in Kenya

Although performance contracts received official recognition by the Kenya government in 1991, the policy decision to introduce performance contracts in public resources management was in earnest conveyed in ERS (2003-2007) which is the policy paper on economic recovery strategy for wealth and employment creation (AAPAM, 2006). Performance improvement strategy in the public service aimed at increasing productivity and improving service delivery was launched in 2001 by the Government of Kenya. This new strategy was anchored on Results Based Management, RBM (Keraro & Gakure, 2013). The PC presents itself as a way of providing quality goods and services in an environment of limited resources effectively (Kariuki, 2011). Improvements in service delivery in the public sector can be hugely attributed to Performance Contracting (Muthaura, 2010).

The Government of Kenya adopted performance contracting as a tool for managing public resources and as a management accountability framework. Hitherto, management of public resources focused on processes and inputs rather than outputs and results (GoK, 2010). Performance contracts are deliberately designed to ensure that institutions take into consideration all the perspectives of an institution's performance (Letangule & Letting, 2012). The introduction of performance contracts compelled public institutions to regularly produce and submit performance reports for every quarter to designated agencies, and end of year reports to the Performance Contracts Secretariat (Kobia and Mohammed ,2006).

The process of identifying performance targets and negotiations consists of two phases. Phase one is the consultations before negotiations which involves carrying out a SWOT (strengths, weaknesses, opportunities and threats) analysis to determine the institution's performance capacity (Kobia and Mohammed, 2006). This phase aims at determining if the targets that are developed can be measured, is easy to achieve, realistic, and geared towards growth in line with similar organizations in the industry (GoK, 2010). In phase two of the negotiations, the agreed upon issues are included in the Performance Contract. Once the contract is drafted, it is submitted to the Performance Contracting Secretariat for vetting, a process which, among other

things, ensures that the contracts are linked to the organizational strategic objectives anchored on the Strategic Plan, aimed at stimulating growth and relate to the institutions mandate and in line with the vision 2030 (GoK 2010)

For the Purpose of performance monitoring and management, the public universities sign the Performance contract with the Ministry of Education on expected service delivery and standards for each financial year (GoK, 2008). However, all the private universities are accredited by the Government of Kenya's Commission for University Education (CUE). The signing of the Performance Contract is done at two levels. The first level is between the Government and the University Council. The principal Secretary, Ministry of Education signs with Council on behalf of the Government, while the Council Chairman and one independent member signs on behalf of the Council. The second level is signing between the University Council and the University Management, (Trivedi, 2000).

Changes in political environment in terms of ensuring good value for money in public services, encouraging more openness and accountability, and for improving services in dealing with the public as consumers, have driven the initiatives to adopt Performance Contracts in public institutions (Brown, 1996). Smith (1990) observed that the use of performance indicators in the public sector is more complex than in the private sector where there is a superficially much less complex model of accountability, in which investors are the principal management agents. In the public sector, comparative data are just one of the few means whereby citizens might appraise the quality of local services both as tax-payer and as consumer (Smith, 1990). As a result, the problem of reporting the activity of a public sector enterprise is vastly larger than that of reporting in the private sector (Smith, 1990). (Fisher, Maines, Peffer & Sprinkle, 2002) point out that tying performance management to the budget, as is done in many governments, makes subordinates have incentives to overstate their productivity in order to acquire a greater share of resources in the name of working towards targets.

A key priority of the Kenya government on the implementation of public sector reforms was the need to improve service delivery and business growth in the state corporations.

The problems inhibiting the performance of this sector are excessive controls, frequent political interference, and multiplicity of roles, poor management and mismanagement (RBM Guide,

2005). It is against the foregoing background of poor organizational performance that the Kenya Government introduced the performance contract scheme in public institutions, public Universities among them.

1.1.2 Performance Contracting at Multimedia University of Kenya

After Results Based Management was introduced by the government aimed at improving performance, Multimedia University of Kenya incorporated performance contracting like other public institutions as a performance improvement tool. The University developed its strategic plan as per performance contracting guidelines in alignment with National policy documents like the Medium Term Plans of Kenya Vision 2030 and Sessional Paper No 1 of 2005 on Education, Training and Research among others. The University's strategic plan 2011-2016 spells out its mission as "To provide quality training in Engineering, Media and Communication, Information Science and Technology and Business to meet the aspirations of a dynamic society, while inculcating strong research, outreach, and innovation culture within an efficient team of academic, technical and administrative staff" MMU (2015)

Each department of the University draws individual work plans and budgets for every financial year which are aligned with the government requirements for that financial year and the University Performance Contract is developed. Thus developed Performance Contract is negotiated and signed between the University Management and the Government through the Ministry of Education. The Vice chancellor, on behalf of University Management signs performance contract with the Deputy Vice chancellors who in turn sign with the Deans and Directors. Functional contracts are negotiated and signed between the Deans and Directors with the heads of departments. The heads of departments are tasked with the responsibility of ensuring that their respective work plans are adhered to, targets met and quarterly performance reports submitted to the office of Performance Contracting and Quality Management Systems (PCAQMS).

In the recent years, the University performance has shown an increasing trend as demonstrated by increasing performance indices as rated by the Ministry of Education. The trend has been slowly increasing and the slow increment could be attributed to lack of involvement of all staff members in target setting and evaluation, lack of proper and clear appraisal system and lack of

clear job descriptions and absence of a reward and sanction mechanism. The performance indices for the University in the last three financial years have been; 2013/2014 financial year at 2.9, 2014/2015 financial year at 2.8, and 2015/2016 financial year at 2.7. (Government of Kenya evaluated results 2014, 2015, 2016). The evaluation indices are measured on a scale of 1-5 with 1 rated as excellent while 5 is rated as poor.

1.2 Statement of the Problem

The basic role of any government is to ensure maximum improvement of the welfare of its citizens and its development goal is to continually improve in the standard of the quality of life for the citizens. The public sector plays the role of effectively delivering public services that are important to the functioning of the economy of the state. In case of inefficient or ineffective delivery of services, the people's quality of life and the nation's development process are affected (AAPAM, 2006).

The need to continuously improve on the effectiveness and efficiency in the public sector given scarcity of resources and high expectations by the public resulted in all Public Universities being put on Performance Contracts by the Government (GoK, 2010). Performance Contracts was believed to have the capacity to create a management system that would focus on the attainment of desired results and instilling a framework of accountability. Proper appraisal systems that involve work planning, setting of targets, feedback, reporting and acceptable human resource practices are needed to achieve these objectives. Target setting and evaluation in public universities are done by individual institutions and only moderated by the Ad hoc Negotiation and Evaluation Task Forces which are far removed from the ground. This complicates the objectivity of evaluation given that it's new in the eyes of the evaluators. Public Universities in Kenya have no well-defined Monitoring and Evaluation Systems and Performance Contracting has been and continues to be used as a Monitoring and Evaluation System for the institutions.

Previous studies conducted on performance contracting have concentrated on implementation. Choke (2006) focused on the link between strategic planning and performance contracting in state corporations and found that top management plays a leading role in ensuring successful implementation of Performance Contract, managers have a high positive perception of PC, managers in public enterprise are largely in favour of the introduction of PC and believe there is a strong link between Performance Contract and strategic plans. Obare (2006) studied the

implementation of strategic plans in the public sector and found that there were challenges in the implementation of strategy because employees were not aware of operational strategic plans; there was inadequate financial resources, unsupportive culture, lack of good leadership and political interference. A study by Kiboi (2006) focused on perception of management of performance contracting in state corporations and established that PC helps in clarifying vision and mission of an organisation. General conclusions drawn are that the organizations were very successful in implementing performance contracting, and that to a moderate extent, the organizations have developed a reasonable sense of direction.

People's behavior results from how they perceive reality, not on reality itself; "the world as it is perceived is the world that is behaviorally important" (Robbins et al 2004). People's working relationships are affected by perception in many ways such as those relating to organizational behavior. Even when managers successfully plan and organize work for employees, perception of employees towards such efforts may hinder the success of the efforts of the management.

Previous studies have not focused on how employees, being the major implementers of performance contracts, perceive the PC scheme and little focus has been given to public institutions of higher learning. This study seeks to address this gap in knowledge.

1.3 Research Question

What is the employee perception of Performance Contracting in Multimedia University of Kenya?

1.4 Research Objectives

1.4.1 General Objective

To investigate employees' perception of Performance Contracting in Multimedia University of Kenya.

1.4.2 Specific Objectives

- i. To establish staff perception on the clarity of the Performance Contract (P.C) by the Government
- ii. To assess staff personal views on signing of Performance Contract
- iii. To investigate staff perception of their involvement in the setting of the Performance Contract

1.5 Justification of the Study

Multimedia University of Kenya has a rich history as it was founded in 1948 as Central Training School (CTS) serving as East African Post Training School. In 1992, CTS was upgraded to Kenya College of Communication Technology. In 2008, it was upgraded to Multimedia University College of Kenya, a constituent college of Jomo Kenyatta University of Agriculture and Technology and finally was granted a University Charter in March 2013 and became Multimedia University of Kenya. Having been in operation for such a long time, the institution must have employed some form of performance management system even before the introduction of Performance contracting. MMU Kenya has adopted a similar strategy as MMU Malaysia in which MMU Kenya is mandated to accelerate the development of Kenya's Information and Knowledge sectors, one of the pillars meant to transform Kenya to a middle income economy under Vision 2030 (MMU 2015). Given this important undertaking by the institution, there is need to understand how employees, being the implementers of PC, perceive the PC process.

The study provides a basis upon which academicians will explore more into the field of employee perception in so far as it influences overall organizational performance. It also provides useful insights to managers and practitioners about PC as a performance management tool and the role employee perceptions play in performance, motivation and overall success of an organization. Employees are a major asset that ensures an organization of a competitive edge in today's economy. Appreciating what would affect their current and future performance should therefore be of great concern to decision makers. To be effective in their work, employees need to be motivated unlike other resources in an organization. According to (Njoroge, 2003), managers should be interested with the physical resource at the work place and also with their emotional presence.

The study also offers an opportunity for review of performance contracting within the civil service. It also offers a window for possible amendments and improvements of performance contracting. Lastly and probably most important is that the study will be of use to Multimedia University of Kenya (MMU) which is used as a case study. MMU may wish to know and understand how employees perceive PC as implemented in the University and how the perception impacts on achievement of organizational goals.

1.6 Scope and Limitations of the Study

The study sought to determine employee perception of Performance Contracting in Multimedia University of Kenya. The study targeted 82 employees of Multimedia University of Kenya drawn from academic, technical and administrative staff at senior, middle level management and junior staff. The study was limited to establishing the perception of employees of the PC process but did not go into investigating how perception influences performance. The study was not able to disaggregate the perception of senior management staff from that of the rest of members of staff.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter comprises of a summary of findings from researchers who previously carried out research in the same field. It covers the areas of theoretical review, empirical review, conceptualization and operationalization.

2.2 Theoretical Review

2.2.1 Goal Setting Theory

Goal theory best explains performance contracting. The theory states that clear goals and appropriate feedback motivates employees (Locke, 1968); that working towards a goal yields motivation. When goals are specific as well as challenging and are accompanied by feedback, higher individual and group performance results. The theory argues that the more difficult and specific the goals are, the higher the performance as opposed to when people strive to simply do their best (Latham, 2004). Difficult goals which are also specific direct people's efforts in a specific direction; According to Locke, (1968), motivational goals must have the following characteristics: They must be specific, time bound and challenging; They should be moderate, not so easy and yet not so difficult to achieve; Goals must be accompanied feedback for one to be able to measure progress towards accomplishment; and people must accept and commit to the goals.

2.2.2 Valence-Instrumentality-Expectancy theory

Valence-Instrumentality-Expectancy theory posits that the force to take action depends on the expected satisfaction (valence), the belief that good performance attracts rewards (instrumentality) and the belief that effort is required in order to improve performance thus attracting rewards (expectancy). Expectancy is believed to be directly proportional to performance holding other factors constant. Since difficult goals are more difficult to attain compared to easy goals, expectancy of goal success would presumably be negatively related to performance (Locke & Latham 2002).

Locke & Latham, (1990) argue that when people set their own goals, highly efficient people set higher goals, they are more committed to goals assigned to them, are able to better strategize while performing tasks and are more accommodative of negative feedback than their less efficient counterparts. Leaders can also ensure that their subordinates are more efficient by facilitating sufficient training, becoming or providing good role models who the people can identify with and through expressing confidence that one can attain the goal (Locke & Latham, 1990).

2.2.3 Stakeholder Theory

Phillips and Freeman (2003) described stakeholder theory as a theory of organizational management and business ethics that focuses on morals and values in organizational management. According to the theory, organizations should endeavor to value stakeholders. For them to be successful and be sustainable, the managers must keep the interests of all the stakeholders, internal and external, aligned and going in the same direction.

Traditionally, businesses have regarded those owning the business or shareholders (stockholders) as important. This is popularly known as shareholder view. Stakeholder theory argues that other players besides the share/stockholders are also involved and their importance cannot be underestimated. Competitors are also sometimes counted as stakeholders due to their capacity to affect the business and its shareholders. There is high contention as to what is truly a stakeholder. (Miles, 2012),

Charles Blattberg (2004) a political philosopher challenged stakeholder theory for imagining that stakeholders interests could be compromised or balanced against each other. According to Blattberg (2004), conversation with as opposed to negotiation with stakeholders would yield better result while dealing with conflicts between stakeholder interests.

2.2.4 Social Contract Theory

Social contract refers to agreement among the members of an organized society or between the government and the governed defining the rights and duties of each. Consent is the basis of government according the Social Contract Theory. Social contract advocates foresee a transition from a natural state to a state of government. People come together forming contracts to serve their interests which in turn establish rule. Social contract theory has been restored to the fore of

political philosophy by John Rawls (Rawls, J. 1971) whose version of the state of nature is the original position (Halbrook, 1994).

A major foundation of the American political system is the idea of the social contract. The state is believed to exist only to serve the people's will. Since the people are the source of all the political power enjoyed by the state, they can choose to give or withhold the power.

Lorsch (2002) developed a theory that people relinquished any right to power in exchange with the protection they sought from the state .Domberger (1998); a political writer stressed the role of the individual. He emphasized that if the state abused their given power then revolution was inevitable.

2.3 Empirical Review

2.3.1 Performance Contracting

Organization of Economic Co-operation Development, OECD (1999), describes PC as a broader public sector reform that focuses on improving effectiveness and efficiency ensuring reduced total costs. The parties signing the PC define responsibilities and expectations between them geared towards achievement of mutually agreed results. The agreement specifies clearly each party's intentions, responsibilities and performance obligations. The contract aims at addressing economic, social and other responsibilities that an organization has to discharge for economic performance and targeted results. It spells out tasks in such an organized manner that enables management to perform purposefully, systematically and with reasonable probability of accomplishment OECD, (1999). It also aids in developing view points, concepts and approaches for determining what needs to be done and how it should be done. The Government, in its effort to fast track the actualization of the Public Service Reform Programme (PSRP), came up with and rolled out the Strategy for Performance Improvement in the Public Service in 2001 which focused on increasing productivity and improving service delivery underpinned by the Results Oriented Management (ROM) approach. This necessitated adjustment of activities to respond to predetermined goals, outputs and results. Value for money and customer satisfaction was the main focus of the new pro-active, outward looking and results oriented approach. As a result, the Government required the ministries'/departments to develop strategic plans reflecting their objectives and deriving the objectives from the 9th National Development Plan, the Poverty

Reduction Strategy Paper and based on the Medium Term Expenditure Framework (MTEF), Sectoral Priorities and Millennium development Goals (AAPAM, 2005).

Performance contract is regarded as a key performance management tool which is a means of getting results within an environment of predetermined standards and goals, objectives. Performance is measured against set targets and developed indicators. Through this mechanism, organizations can assess whether they are able to deliver the appropriate services according to vision, mission and objectives in the right quantity, at the right cost, at the right time, and to the right people (Xavier, 2010). PC also provides incentives

2.3.2 Performance Appraisal System

Performance Contracting is a tool that articulates clear and to the point definitions of objectives and places emphasis on outcome rather than the process. Through PC, managers are able to manage the organization on a day to day basis at the same time providing for regular monitoring and evaluation by oversight authorities. According to (GoK, 2008), PC is implemented through the Performance Appraisal system (PAS) and the mode of implementation has also been adopted in Public Universities. PAS works on the principle of work planning, setting of agreed targets, feedback and reporting. It is linked to other Human Resource Management Systems and process including competitive recruitment and placement of staff, Training and development, reward and compensation, recognition and sanctions (Muthaura, 2008).

Performance appraisal impacts on employees both negatively and positively. Good scores in appraisal motivate employees to perform well and also maintain the performance. If positive feedback is accompanied by visible gains such as salary increment, employees develop a sense of worth and value while negative feedback in appraisal de-motivate employees impacting negatively on their overall performance (Cook and Crossman, 2004). National Performance Review (1999) posits that providing incentives, financial or otherwise motivate individuals to change their behavior thus helping communicate what is important to the organization. It also argues that rewarding well performing employees helps to complete the accountability framework with the employees keeping their end of the bargain.

2.3.3 Stakeholders' Involvement

The corporations do not operate in isolation but they interact with other players in implementation of the performance contracts. They need to identify the needs of the stakeholders and design appropriate strategies to address these needs. Their involvement in formulation of the strategies in the strategic plans will provide invaluable support during the implementation of the activities. The critical role of stakeholders is illustrated in Kobia and Mohammed (2006); the performance contract formulation process should be consultative. This will create ownership and enable the setting of targets that are realistic by the implementing agency. In Swaziland the use of consultants to develop the contracts led to their failure. According to Kobia and Mohammed (2006) extensive use of consultants during the performance agreement formulation in the early 1990's led to its failure to achieve its stated objective. Different corporations have different mandates as per the laws establishing them. Therefore the entire corporation's performance cannot be measured using the same targets. This can only be incorporated during the formulation process with their involvement. According to Kobia and Mohammed (2006), it is important to involve all stakeholders during consultation in the design stage and also during formulation of contracts.

Employees need to know that they should perform their jobs successfully (Davis 1996). Involving employees in the planning process ensures they understand organizational goals and how each one of them is expected to contribute in the achievement of the same. The shared view can be expressed in a variety of ways such as the job description (Torrington,1995), or assignment instructions in the case of security industry. Planning employee's performances should include formulating the elements and standards of the performance appraisal plans. Performance elements and standards should be measurable, verifiable, equitable and achievable (Stebler M. 1997).

Successful implementation of PC is can be attributed to staff participation (Downey 1998). Including other stakeholders especially at the stage of identifying expected outcomes has been cited as very beneficial to the organization since issues that probably were missed by staff have a chance of being included. (Plantz, Greenway and Hendricks 1997; National Performance Review 1999; Local and regional authorities in Europe 1997; Epstein and Olsen 1996). USGAO (1997) also opines that involving stakeholders helps an agency to identify performance measures that

are results oriented and to set realistic targets. When stakeholders are sufficiently involved, their sense of ownership and level of commitment increases thus fully supporting the performance management system.

Gibson and Boisvert (1997) point out that "sustainability is not guaranteed in a political environment, but gaining the commitment and support of clients helps embed the desired changes." As well, "essentially, stakeholders are less likely to criticize or resist a management framework that they have developed themselves," (Meier 1998). It is important therefore for the people who will in reality make use of the performance management system to develop their own measures (Epstein and Olsen 1996). Simply put, "do not impose, involve", (Poate 1997).

It is important to formulate a vision or plan that spells out the purpose of the results based management and communicate the same all over the organization (Epstein and Olsen 1996; PricewaterhouseCoopers 1999; Itell 1998). Experience from companies in Europe and the US indicate that "the starting point for any improvement programme is to realize that the current position is unsatisfactory and something better exists and is achievable" (PricewaterhouseCoopers 1999). External stakeholders also need to be aware of the purpose of results based management because of their interest in knowing how well a business has achieved its objectives (National Performance Review 1997).

2.3.4 Staff Training

Lack of experience and expertise among employees hinders the implementation of results based management (Mascarenhas, 1996; Hatry 1997). For implementation to be successful, managers and staff are required to have the essential understanding, skills and abilities for development and application of the performance measurement system, (USGAO 199; Itell 1998; Newcomer and Downy 1997-98, 9; Poate 1997). Providing training for all of those involved in implementation cannot therefore be overemphasized. This is because training imparts managers, staff and other key stakeholders with the understanding and skills required while working with data, understanding it and using it to advance efficacy (Gibson and Boisvert 1997). Political appointees who work in strategic areas such as budget office need also to be trained. This is because according to Newcomer and Wright (1997), training of these important stakeholders ensures the institutionalization of results based management.

Training has also been found to be of great influence in changing the organizational culture since it is through understanding of the workings of the result based management by management and staff that they start appreciating its prospective. (Epstein and Olsen 1996) "When new systems are being introduced, training is likely to be needed at two levels: familiarity with the basic concepts linked to the underlying principles of reform; and operational support to define objectives, construct performance indicators, use indicators for reporting and review, and evaluate. The former can be achieved through briefings and explanatory material. The latter requires sustained effort from something like a methodology support group." (Poate 1997)

2.3.5 Organizational Structure

Organizations ought to be structured in such a way that it can react to demands to change from the surroundings and practice any proper opportunities which are spotted (Lorsch, 2002). Therkildsen (2001) noted that while performance contracting formulation requires the abilities to conceptualize, analyze and judge, implementation involves operating with and through other people and institutions of transformation. It is imperative therefore that in designing the organization arrangement and operationalizing it, key aspects such as empowerment, employee incentive and reward should be considered. Pearce and Robinson (2007) agree that strategy and structure need to be mandated and be supportive of each other in order to achieve objectives set. Performance contracting are strategies formulated and implemented by managers working within the current structure (Peng and Litteljohn, 2001). Organizational structure breaks down how work is carried out business units and departments of the organization. Employees work within these divisions and units and their dealings happen inside a definite structure of objectives, strategy and policies. Successful performance contract implementation depends on a large part on how a firm is organized. The structure helps an organization identify its activities and the way in which it will coordinate them to achieve the firm's strategic objectives. It also provides managers with a vehicle to exploit fully the skills and capabilities of the employees with minimal costs and at the same time enhance the firms' capacity to achieve superior, efficient, quality, innovations and customer responsiveness (Pearce and Robinson, 2007).

An organization's ability to create a results focused management culture assures successful implementation of results based management. ,(USGAO 1997; Epstein and Olsen 1996;

PricewaterhouseCoopers 1999). Administrative culture that puts emphasis on outcomes as opposed to the traditional public sector administrative culture that puts emphasis on inputs needs to be inculcated for successful implementation of RBM (Poate 1997; Downey 1998).

The New Zealand experience cites informal factors in an organizational culture and the environment as contributing towards bringing about change. "While new formal management arrangements and systems have been vital, the positive changes that have been brought about could not have occurred without the informal systems of peer-group pressure, a commitment to public service ethics and individual professionalism among key staff." (Poate 1997).

Changing the culture is a difficult task and happens gradually over a long period of time and requires consistency and frequent modification and upgrading (Thomas 1998; Poate 1997). Suitable management and a sense of joint obligation to the reform process is significant to building of a culture that is performance-oriented (Mascarenhas 1996; USGAO 1997).

2.3.6 Employee Perception

Perception is a way by which persons construe their sensory impressions in an attempt to give explanation to their situation (Robbins & Brown, 2004). Perception is not mostly reality based, but is simply an outlook from a particular person's analysis of a state of affairs. Perception affects people's working interactions in lots of ways relating to the factors of organizational behavior, for instance: entity, group or structure. Derived from the state of affairs, perceiver and target people could have the perception that the people they are working with are poor at their job, and consequently be inclined to evade working with them, for fear of being held accountable for their mistakes, and in so doing, affecting their working affiliation with their team members, and eventually, the organizations efficacy, competence, as well as the structural perception of the organization (Robbins et al 2004).

Perception is psychosomatic and can be measured qualitatively in terms of factors such as people's attitudes, emotions, prior experiences and their requirements. People's attitudes greatly influence what they get interested in, what they commit to memory and how they construe information, Arnold and Fieldman (1986). According to Luthans (1992) people will choose situations from their surroundings that matches with their knowledge, impetus and with their character.

2.3.7 Psychological Contract

Psychological contract refers to unwritten expectations of an employee towards an employer. These are rights, rewards and obligations, though not spelled out in the formal contract; a member of staff believes he is owed by the organization he works for in return for his effort and allegiance. It also refers to the perception of both employer and employee of their mutual obligation towards each other, usually in informal and imprecise terms. The employee believes that such inferred expectations are part of their relationship with the employer (Guest, D E and Conway, N., 2002).

Theory of equilibrium (Barnard, 1938), argues that employees continue with their participation depending on adequate rewards from the organization. March and Simon (1958), posits that employees derive satisfaction when the difference between the inducements offered by the employer is greater than the contribution expected of them by the employer. The employer also believed that employee contribution should be sufficient enough to generate inducements which in return should be attractive enough to motivate employees to contribute. This relationship is referred to as reciprocal exchange (Bernard, 1938).

Numerous interactions between employees and their supervisors characterize a performance appraisal (Giles et al., 1997). An organization therefore is required to promote positive perception of the evenhandedness of performance appraisal in order to cope with the antagonism of performance appraisal systems. The social exchange theory also known as psychological contract theory describes employee perception on their work association (Coyle- Shapiro & Kessler, 2003).

2.4 Conceptual Framework

The conceptual framework for this study was the psychological contract iceberg model which helped understand the perception by public employees of the evenhandedness of the performance appraisal system. According to (Coyle-Shapiro and Kessler, 2003), “Psychological contract is the individual’s belief regarding the mutual obligations and exchanges between that person and another party”.

Figure 2.1 Conceptual Framework



The **left side** displays the contribution of the employees to the organization. The employer also expects the employee to fulfill these obligations that are both visible and included in the formal employment agreement or perceived, informal and inferred prospective opportunities pegged on performance and chance. They may not essentially be common to all staff/ employer.

On the **right** is a representation of employer's contribution or the expectations employees have of their employer. These employer rewards may be visible and included in the formal employment contract or may be imagined, inferred or perceived. Potential contributions which may not be necessarily common to all employees/employers are also included.

'Below the water-line' on both sides are factors that perceived until and unless brought to the service. Employees' perceptions are fundamental and tend to differ from the perceptions of the employers. They may be persuaded to overestimate the value of their contribution towards realization of organizational objectives while the employer may tend to underestimate the stress or life balance erosion caused by the job to the employee.

Above the water is work and pay representing the fundamental employment agreement. These are the visible and on paper contractual obligations on both sides. The iceberg here represents the most fundamental work and pay exchange but in the real world, most workers are formally obliged to perform other responsibilities and are entitled to benefits beyond pay alone.

The **black arrows** (inward pointing arrows above the water level) are the external influences affecting work and pay. These are particular to the service circumstances and also are visible and known. An example of such influences is the market demand for people with a specific expertise to do the job and market rates of pay and salary for a specific job.

The **red arrows** (upward pointing arrows above the water level) illustrate how the iceberg tends to rise with maturity and success in the job for the employee and success and maturity of the organization. When one's iceberg rises, some out of sight contractual factors show up and are put on paper in official employment contracts. Enlightened employers and all employees desire their icebergs to rise bringing the hidden unwritten aspects to the surface, to be evident and official contractually. When the iceberg rises for the employee, it depicts increasing employee input towards realization of the objectives of the organization. This is in turn rewarded with rising deeper benefits.

The **blue arrows** (inward pointing arrows below the water level) are the hidden factors that affect both the employees' and employers' perceptions and attitudes towards each other. The factors are possibly evident and explicit to one side but not the other unless they are exposed and clarified without bias. Some of these factors may change unpredictably while some remain invariable and can without difficulty be clarified. One side might presuppose the other side is aware of these factors already or on the other hand is not entitled to know.

2.5 Operational Framework

In this study, psychological contract is defined as the potential benefits expected between an employee and an employer, what one gives and what one expects from the other in return. According to (Bal, Chiaburu, & Jansen, 2010) and (Castaing, 2006), perceived psychological contract fulfillment plays a major role in shaping employees' occupational attitudes and managerial behaviors. From this insight the study hypothesizes that employees' perception of their performance appraisal system will be positively affected by their psychological contracts fulfillment.

The above conceptual framework is operationalized by focusing on the part of the iceberg below the water line and concentrating on the right side where employee perception and hidden factors that influence employee perception towards the employer in regard to performance appraisal system, in this case performance contracting scheme were studied.

There are two levels on which employees' feelings and attitudes act: How employees are treated at work strongly influence their feelings and attitudes and at the same time, how employees see themselves and their relationship with their employer is strongly influenced by their feelings and attitudes. Both levels are aspects of the psychological contract.

Structured questionnaires were used in this study as the research tool whose items were extracted from appropriate literature, fitting in relevant theories namely the goal setting theory and the social contract theory. These concepts were explored using a five-point Likert Scale.

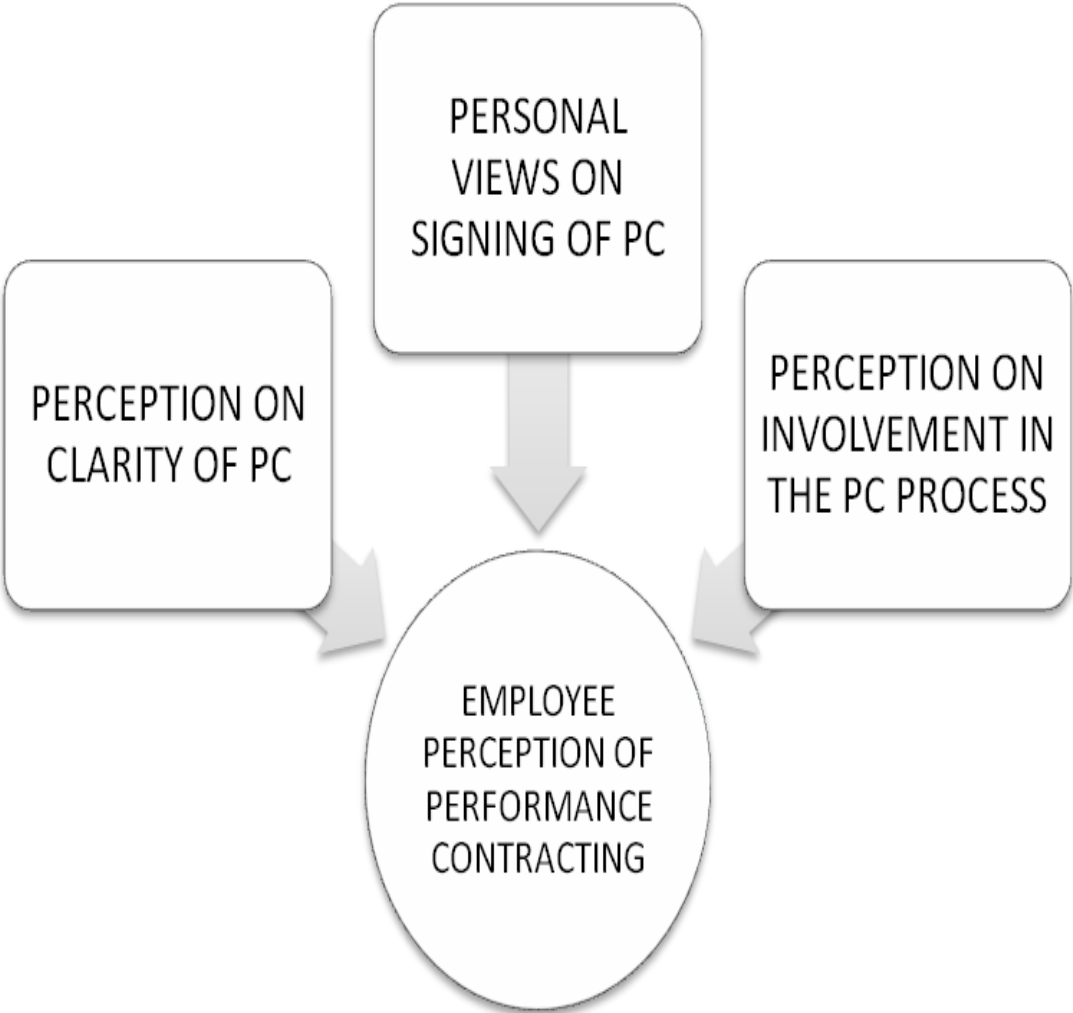
To establish how clearly the government had made matters relating to PC known to the employees: whether they perceive PC as being imposed on them by the government and whether they understand what the scheme entails and its importance in their day to day activities at the place of work.

To assess staff personal views on signing of Performance Contract: whether they appreciate the signing of performance contract and the setting of targets and if they enjoy working towards results and with targets.

To investigate the level of staff participation in the setting of the performance contract: whether they feel sufficiently involved in setting of performance targets and how this involvement or lack thereof impacts on their performance.

Figure 2.2 Operational Framework

Psychological Contract Fulfillment



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section discusses a range of stages that were followed in carrying out the study. It consists of the study design, population of the study, sampling procedure, data collection procedure, data analysis and presentation and ethical considerations.

3.2 Study Design

Survey research design was used in this study to collect information. A survey is a procedure of gathering data from the members of a population in order to establish the present standing of the subject matter under study with respect to one or more variables (Mugenda and Mugenda, 2003). This is because it enables collecting of information about people's attitudes, opinions, habits or any of the variety of education or social issues. According to Babbie (2011), in descriptive research, characteristics of a population or occurrence being studied are described. This design does not answer questions about how/when/why the characteristics occurred. It addresses the "what" question which the concern of this research is.

3.3 Target Population

The target population for the study consisted of all the 410 employees ranging from senior, middle level managers and junior employees from both teaching and non teaching categories in Multimedia University of Kenya (MMU). The total number of members of teaching staff was 190 while non teaching staff were 220.

3.4 Sampling Procedure

Stratified simple random sampling was used since the University staff population is heterogeneous to attain the required sample size.

The first stratification comprised the two major categories; teaching and none-teaching staff. Further stratification into three categories was done; senior level management, middle level management and junior staff. The researcher determined the number of respondents to be picked in each stratum by weighting to obtain a sample proportional to their percentage representation in the University. A sample of 82 employees were selected which represented 20 percent of

employees at MMU. Gay (2003) recommended the minimum sample one can obtain from a small population to be 20percent. According to Kothari (2004) sampling gives the same characteristics and composition as the population.

3.5 Data Collection Instrument

The data collection method used was questionnaires administration. Structured questionnaires were designed in a concise and precise language to prevent ambiguity. The self-developed questionnaires contained different sections comprising an introduction, bio-data, etc. The employees sampled for the research were served with the self-developed questionnaire to respond to. This was considered appropriate because it enabled them to provide their responses individually.

The questions were broken to cover three major areas the objective of the research intended to evaluate. The three sections covered were the Staff Perception on the Clarity of the P.C by the Government, Staff Personal Views on the Signing of P.C. and Staff Involvement in the Setting of the Performance Contract. A set of questions (open and close-ended) were asked to collect information from respondents on these areas mentioned. The close-ended questions guided respondents to choose from alternatives provided by the researcher. This procedure was adopted because the staff had busy schedules which made it difficult to make time to attend to questionnaire when left with them and to make coding of data easy for analysis.

The Likert scale was adopted for this study. This model assumes that the individual items in the scale are systematically related to the underlying attributes and summation of the item scores are related linearly to the attitude. A likert point is basically a declaration which the respondent is asked to appraise according to any kind of prejudiced or objective criterion; usually the level of disagreement or agreement is considered. It is assumed to be reasonable because there are the same amounts of optimistic and pessimistic positions. It is the most extensively used approach to scale responses in survey research. When responding to a Likert questionnaire item, respondents spell out their intensity of agreement or disagreement on a symmetric “agree-disagree” scale for a sequence of statements. Thus, the range captures the strength of their thoughts for a given item while the result of analysis of several items reveals the pattern that has scaled properties of the kind Likert identified.

The researcher collected all the data herself. A lot of personal contacts were adopted by the researcher in the collection of the data through the administration of the questionnaire. This involved a lot of movement from one department to the other. Permission was sought from the Multimedia University of Kenya administration. The researcher explained the questions after copies of the questionnaire had been given to employees. The reason for doing this was to help the respondents to get a better understanding in order to provide their independent opinion on the questions. The researcher also made sure that a high level of understanding existed between her and the respondents before answering the questions. The reason for this was to remove any form of hostility, anxiety, suspicion and apathy that can hinder the free flow of information from them.

3.6 Data Analysis and Presentation

SPSS software (statistical package for the social sciences) was used to analyze the data from the research questionnaire. Materials gathered from open ended questions were diligently worked to identify patterns, sequences and themes. Group of data that shows some commonalities were segregated and assigned different codes. The data was then transferred into SPSS software used in the study, for analysis. The summarized data showed distribution of frequencies and percentages of responses. Cross tabulation was used to determine whether perception depends on age, work experience, level of education etc.

The use of questionnaires allowed information to be presented in numerical and graphical backgrounds.

3.7 Reliability and Validity

A research is highly reliable if it is possible to conduct a similar research using different researchers and generate the same results. Clarity of research questions and effective questionnaire design are among the main factors influencing the level of reliability (Mkansi and Acheampong, (2012). On the other hand, a research is valid when the views of the sample are consistent with those of the population. Effective research design enhances validity of the research. In this study, reliability was tested using Cronbach's alpha coefficient which is the most common indicator of consistence. A scale's reliability depends on the sample that is used. Therefore, checking that each of the scales is reliable with the sample is necessary. To improve the total model fit of this research data, reliability and validity analysis of each construct to depict its Cronbach Alpha value were conducted. In reliable questionnaires, identical people

regarding the subject being studied get identical scores and completely different people different scores (Field, 2009). Because it is hard and time intensive to find two people who are fully identical or not the same in statistics it is assumed that a questionnaire is reliable when an individual entry or a set of some entries renders the same result as the whole questionnaire.

3.8 Ethical Issues

Some of the information collected was sensitive and therefore the researcher was morally obliged to treat the information with extreme decorum. To ensure the respondents disclosed all information required of them, confidentiality of the information given was assured.

CHAPTER FOUR
EMPLOYEE PERCEPTION OF PERFORMANCE CONTRACTING IN MULTIMEDIA
UNIVERSITY OF KENYA

4.1. Introduction

This chapter presents the results and discussions based on the three research objectives (page 6) of this study. It is divided into four major sections, Characteristics of Study Population, Staff perception on the clarity or performance contract, Staff personal views on the signing of performance contract, and Staff involvement in the setting of the performance contract.

4.2 Characteristics of Study Population

The variables of interest on characteristics of the respondents were the division where one works, nature of employment, duration of employment, Sex of the respondent, level of education (highest qualification), whether employees had professional qualifications besides academic qualifications and age of the respondent. The research findings on staff information are summarized in table 4.1.

4.2.1 Division

The study wanted to unearth the various divisions of the university the respondents worked in. The data revealed that 61 percent (50) were from Academic Division, 28 percent (23) from Administration, 6.1percent (5) from Research and Innovation, 3.7percent (3) from Finance and 1.2percent (1) from Planning. Results show that majority of those interviewed worked in the academic division. This could be explained by the fact that the institution under study was an institution of higher learning and probably gave prevalence to the academic division while placing its employees.

4.2.2 Employee category

The study also sought to find out the category of the respondents among the two major categories of University employees; teaching and non-teaching staff. It was established that 46.3percent (38) of the respondents were teaching staff while 53.7percent (44) were non-teaching staff. There were more non teaching staff than the teaching staff among those interviewed because the academic division besides being comprised of the teaching staff had also support staff who were sampled for the survey.

Table 4.1 Characteristics of the Study Population.

Variables	Frequency	Percent
Division		
Academic	50	61.0
Research and Innovation	5	6.1
Administration	23	28.0
Finance	3	3.7
Planning	1	1.2
Employee Category		
Teaching staff	38	46.3
Non Teaching staff	44	53.7
Employment Duration		
1-5 years	48	58.5
6-10 years	14	17.1
11-15 years	4	4.9
Over 15 years	16	19.5
Sex of Respondent		
Male	44	53.7
Female	38	46.3
Highest Education Level		
Secondary	1	1.2
Certificate	1	1.2
Diploma	9	11.1
Bachelors Degree	26	32.1
Masters Degree	38	46.9
PhD	7	8.6
Professional Qualifications		
Yes	44	53.7
No	38	46.3
Age of Respondent		
Less than 25	2	2.4
26-34	24	29.3
35-44	24	30.5
45-54	24	29.3
Above 55	7	8.5

4.2.3 Employment Duration

The respondents had worked for the University for different durations of time. Above half of them 58.5percent (48) had worked for a duration of 1-5 years, 19.5percent (16) having worked for Over 15 years and 22percent (18) of the staff at 6-15 years. Years of experience at work may influence one's perception.

4.2.4 Sex of the Respondent

Out of the 82 respondents, the study revealed that 53.7percent (44) were Male and 46.3percent (38) were Female. The result is an indication that there was gender balance in the University.

4.2.5 Highest Level of Education

The study required to get the highest level of education of the respondents. The study revealed that 86.5 percent of the respondents had attained university education with 31.7 percent having degrees, 46.3 percent with masters and 8.5 percent having PhD. Overall, the result indicates that all the staff interviewed had at least post-secondary education which is an indication that formal education plays a great role in the University staff employment with 11percent having qualifications in various diploma courses and 1.2 percent with Certificate courses. Level of education is one of the factors that could influence an individual's perception.

4.2.6 Possession of professional qualifications

On a scale of Yes and No, 53.7 percent (44) of the staff interviewed indicated possession of other professional qualifications as follows; CPA, OCA, CPS, PEE, IMIS, ICT, KATC, ACA, IET, BAFT, IHRM, CCNA, KENASA, CISCO and KIM, Structured cabling, Teaching, Telecom plant technique, NOVELL, Media management, MICROSOFT, MIDWIFERY, HR, MIEK, MIEEE, HRM Nursing & psychology, Computer maintenance, Counseling, Conflict resolution, Psychology, Driving, Electrician, Graduate engineer and PRSK(Public relations of Kenya). This is an indication that possession of additional professional qualifications was a consideration during recruitment of University staff.

4.2.7 Age of respondent

The results of the study showed the following age distribution; 89.1percent (73) of the total (82) staff who were interviewed are aged between 26 to 54 years. Those aged above 55 years were 8.5percent (7) while those aged below 25 years were 2.4percent (2). The distribution between

the youthful workforce (26-34), the middle aged workforce (35-44) and the aging workforce (45-55) is the same at 29.3 percent for each category. Different age categories of staff have various experiences and beliefs that influence their perceptions.

4.2.8 Employment Duration by Age of the Respondents.

The study sought to find out whether age had any relationship with the number of years that those interviewed had worked at the University. It was revealed that age played a big role to the number of years one had worked with the institution. Majority of the respondents who had worked for over 15 years were aged 45 years and above. It was also evident that those who had worked between 11-15 years were between 35-54 years. Respondent who were below 25 years had worked for 1-5 years. Figure 4.4 summarizes these findings.

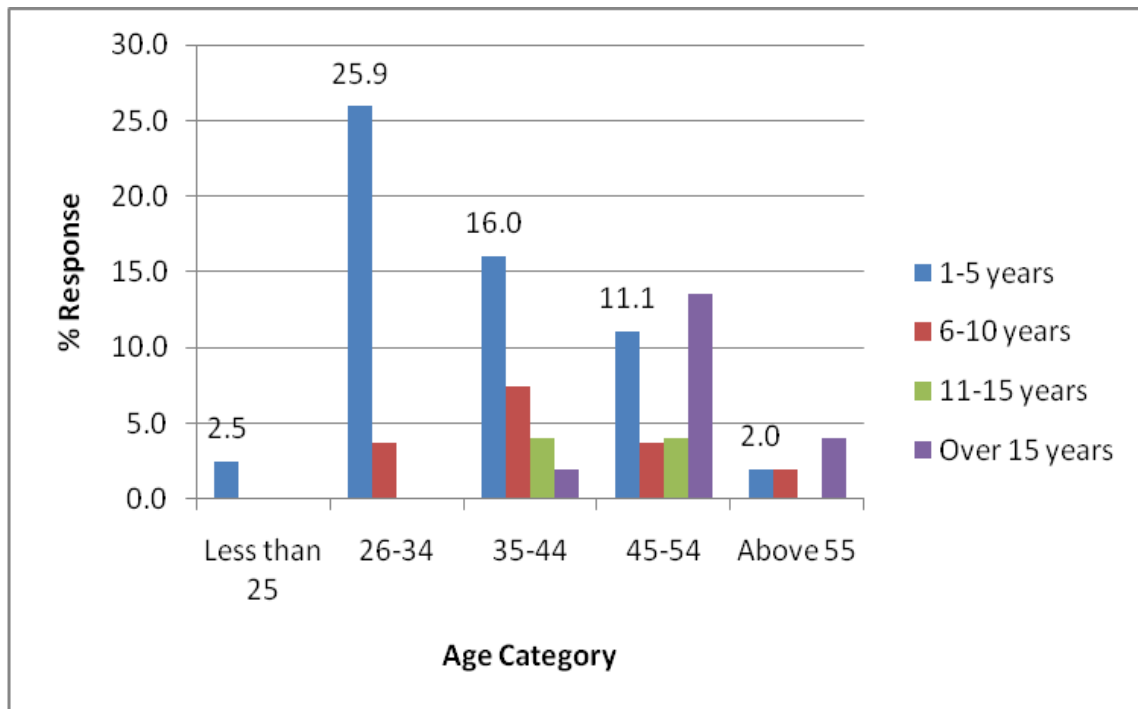


Figure 4.3 Employment Duration by Age of the Respondents.

4.2.9 Job Placement by Education

As shown in figure 4.4, most of the respondents 66 percent (49) of the total were from the academic division. 1 percent of them had secondary school education as their highest academic qualification, 2 percent had diploma level education and 21 percent had Bachelors degree while 33 percent had Masters Degree. All the PhD holders interviewed, 9 percent, worked in the academic division. The division hosted staff members with the highest academic qualifications (academicians) and those with lower qualifications who may have been working in the division in administrative capacities.

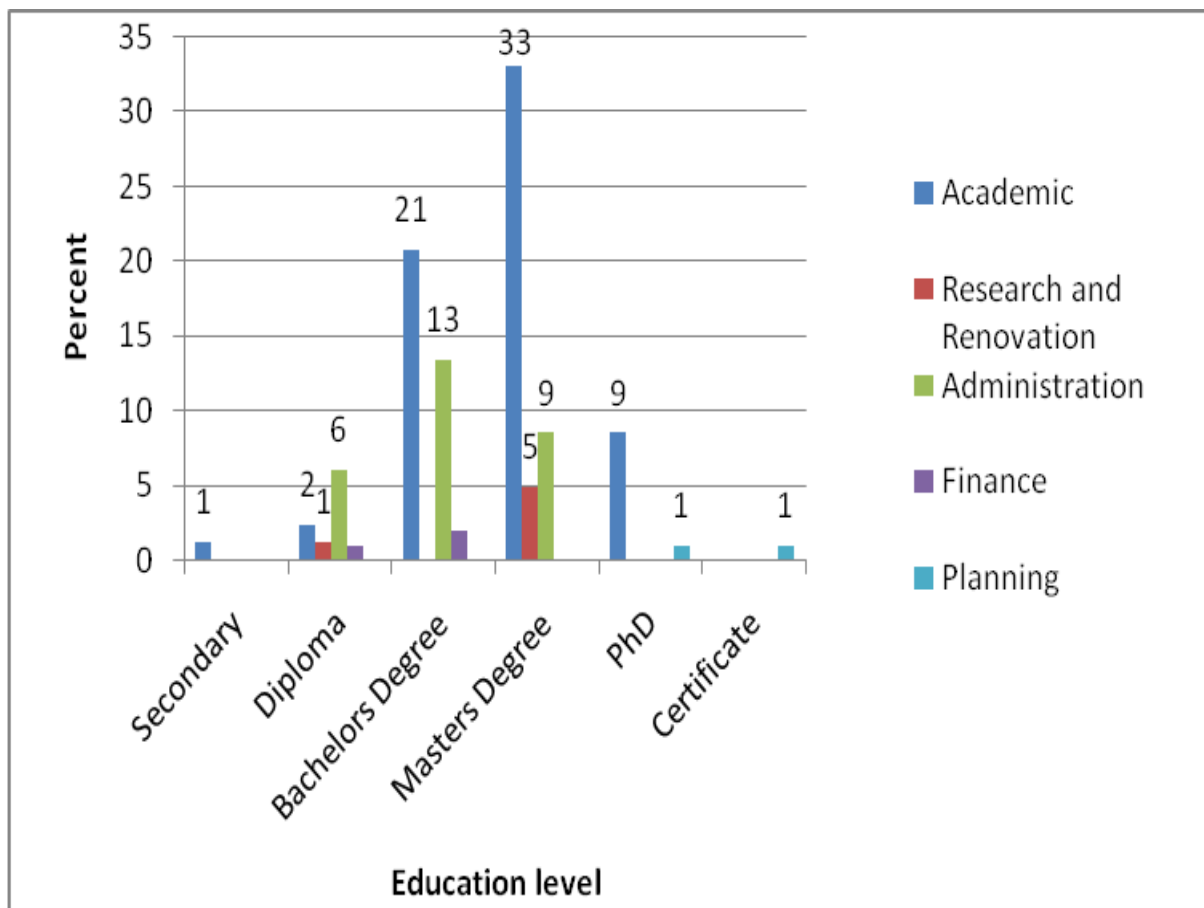


Figure 4.4 Job Placement by Education

Research and Innovation Division had 1 percent of the respondents possessing diploma qualifications and 5 percent had Masters Degree. Those interviewed and working in the Administration division had academic qualifications ranging from diploma to Masters Degree. 6 percent had diploma qualification, 13 percent Bachelors Degree and 9 percent held Masters Degree. Finance division had those interviewed holding diploma qualification at 1 percent and 2 percent holding bachelors degree while planning division had 1 percent of the respondent being certificate holders.

The findings indicated that, to a great extent, academic qualifications were a consideration while placing employees as evidenced by high numbers of Bachelors, Masters and PhD holders being in the academic division and Bachelors and Masters holders being in the Administration division.

4.3 Staff Perception on the Clarity of Performance Contract

This section describes the staff perception on the clarity of performance contract. It had a set of 5 likert scale items. Frequency and percentage distribution of responses was summarized in Table 4.2.

Regarding Performance contracting being a government directive whose control the respondents did not have as measured by the question; “Signing of performance contract is a government directive, can do nothing about it”, more than half of the respondents, 63percent (51), were in agreement with 26 percent (21) agreeing strongly and 37 percent (30) agreeing. The rate of disagreement was lower at 28 percent, 17 percent (14) disagreeing while 11 percent (9) disagreeing strongly. A small proportion of the respondents were undecided, 6 percent (5) neither agreeing nor disagreeing and 3 percent (4) indicated that they did not have the basis to judge the statement (Don’t Know).

The study sought to establish whether the respondents felt coerced to sign the performance contract. Responses to the statement; “Government tries to meddle too much on the employees by imposing on the signing of performance contract yearly” show that bulk of the respondents, 58 percent (48) disagreed with 13 percent (11) disagreeing strongly and 45 percent (37)

disagreeing. Only 21 (17) percent were in agreement while 18 percent (15) neither agreed nor disagreed. Only 2 percent (2) indicated that they did not have the basis to judge the statement.

Table 4.2 Staff Perception of Signing the PC

Variables	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Don't know
	Percent (N)	Percent (N)	Percent (N)	Percent (N)	Percent (N)	Percent (N)
Signing of performance contract is a government directive, can do nothing about it	26(21)	37(30)	6(5)	17(14)	11(9)	3(4)
Government tries to meddle too much on the employees by imposing on the signing of performance contract yearly	5(6)	15(12)	18(15)	45(37)	13(11)	2(2)
The government exaggerates their expectations from employees at the beginning of every year in the contract period	5(4)	23(19)	18(15)	40(33)	9(7)	4(5)
Government through the commission for University Education, the University management should continually discuss performance contract and appraisal reports with University staff	55(45)	37(30)	4(3)	2(2)	0(0)	2(2)

On the issue of unrealistic targets set by the government as measured by the statement; “The government exaggerates their expectations from employees at the beginning of every year in the contract period”, majority of the employees, 49 percent (40) were in disagreement, 40percent (33) disagreeing while 9 percent (7) disagreed strongly. There was a 28 percent agreement level where 6 percent (5) agreed strongly and 23 percent (19) agreed. Those who were not decided represented 18 percent (15) while those who did not have the basis to judge were 5 percent (4).

The need for feedback was measured by the statement; “Government through the commission for University Education, the University management should continually discuss performance contract and appraisal reports with University staff”. The results revealed an overwhelming need for feedback mechanism with a 92 percent level of agreement, 55 percent (45) agreeing strongly and 37 percent (30) agreeing. Those who were not decided and those who disagreed amounted to a meager 8 percent (7).

The study revealed that much as the respondents did not feel coerced to sign the performance contract and were not imposed upon unrealistic targets, an overwhelming majority was of the opinion that feedback mechanism was lacking and therefore the employees were lacking important information that could be useful during implementation process.

Reliability Statistic

The results of Cronbach’s Alpha Based on Standardized Items were at 0.534 which is lower than the expected 0.8 but this is common when ranks are converted to scores. Cronbach’s alpha is calculated among a set of variables to determine the reliability of data. The results of the statistics to test that the difference in the means was not by chance at α set at 0.05 indicated that there was significant difference between the means with Friedman's Test ($\chi^2 = 92.600$; d.f=3 ; $p \leq 0.000$).; Kendall’s coefficient of concordance $W = .318$ on how the staff perceived the clarity on performance contract with a grand mean of 1.043. A P -value ≤ 0.000 indicated that the differences between the means of these responses were statistically significant. The 95percent Confidence Interval is 0.044, 0.186 and 0.243, 0.616) does not include a zero indicating differences in the staff views. This difference in staff views is explaining most of the variation 32.485 out of 57.469 with a mean square of 0.155 (as from ANOVA Table 4.3).

Table 4.3 ANOVA with Friedman's Test for Reliability

		Sum of Squares	df	Mean Square	Friedman's Chi-Square	Sig
Between People		21.142	70	.302		
Within People	Between Items	24.984 ^a	3	8.328	92.600	.000
	Residual	32.485	210	.155		
	Total	57.469	213	.270		
Total		78.611	283	.278		
Grand Mean = 1.043						
a. Kendall's coefficient of concordance W = .318.						

The study also sought to establish if the staff background characteristics influenced their perception of the clarity of PC by the government.

4.3.1 Sex and government trying to meddle too much on the employees Affairs

As shown in figure 4.5, equal number of male and female respondents disagreed that government was imposing the signing of performance contracting thus meddling in their affairs. Both scored 29 percent, an indication that sex had nothing to do with their opinion on the subject. The proportions of those who agreed with the statement were also almost the same with male being represented by 11 percent and female close to 10 percent. Those who had no knowledge on the subject also tied at 1.2 percent for both male and female. The respondents who were not decided registered a difference with 6.1percent representing female while 12.2 percent represented the male respondents.

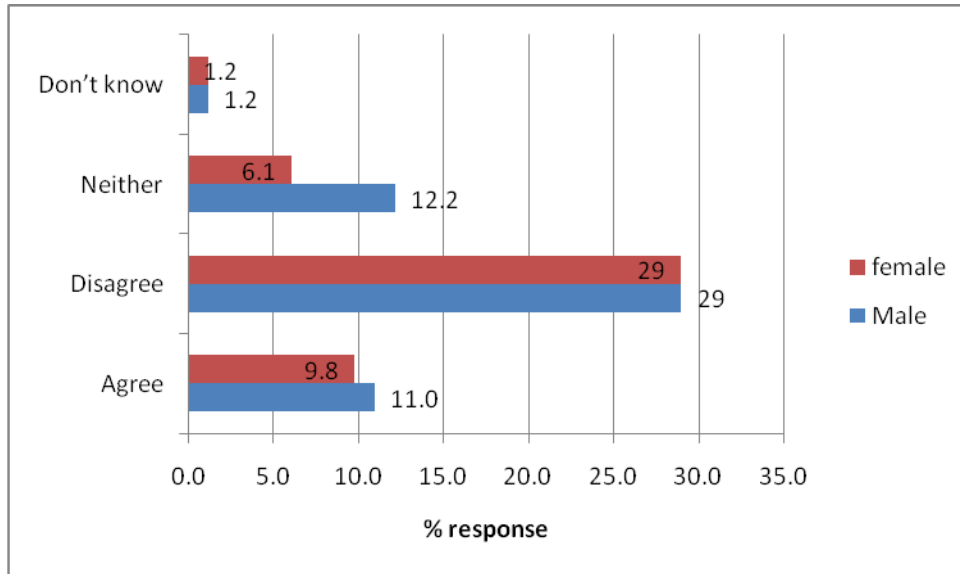


Figure 4.5 Sex versus government trying to meddle too much

4.3.2 Age Versus Government Trying to Meddle too Much

According to the results shown on table 4.4, ages twenty six to fifty four comprised the majority of the respondents with each category having twenty four respondents each (29 percent) leaving over fifty five and under twenty five at seven and two respectively(8.6 percent and 2.2 percent).

Table 4.4 Age versus government trying to meddle too much

Age	Agree		Disagree		Neither		Don't know		Total	
	N	percent	N	percent	N	percent	N	percent	Total	percent
Less than 25	–	–	2	2.5	-	-	-	-	2	2.5
26-34	5	6.2	14	17.3	4	4.9	1	1.2	24	29.6
35-44	5	6.2	13	16.0	6	7.4	0		24	29.6
45-54	3	3.7	16	19.8	4	4.9	1	1.2	24	29.6
Above 55	3	3.7	3	3.7	1	1.2	0		7	8.6
Total	16	19.8	48	59.3	15	18.5	2	2.5	81	100

This meant that the overwhelming disagreement was with 45-54 age category at sixteen respondents (19.8 percent), 26-34 at fourteen (17.3 percent) and 35-44 at thirteen (16 percent) in The study revealed that across all ages, the respondents were in disagreement that the

government tries to meddle too much by imposing on the signing of performance contract yearly. This is an indication that across all ages, respondents don't feel intruded or coerced to sign PC.

4.3.3 Education level versus Need for Feedback Mechanism.

On whether the government should establish channels of communicating performance contract results with the University employees, results showed that 55 percent of those who agreed with this statement were Master's holders followed by Bachelors degree at 24 percent, diploma at 13 percent and PhD holders at 8 percent. On those who were in disagreement the Masters holders still scored high at 40 percent followed by Bachelors at 36 percent, PhD at 15 percent and diploma at 9 percent. Those who indicated not having basis to judge the statement were mainly masters holders and diploma holders. Levels of agreement and disagreements balanced across academic qualifications. There was overwhelming agreement with this statement regardless of academic qualifications. This is an indication that the University does not normally discuss PC and appraisal results with the employees. Figure 4.6 summarizes these findings.

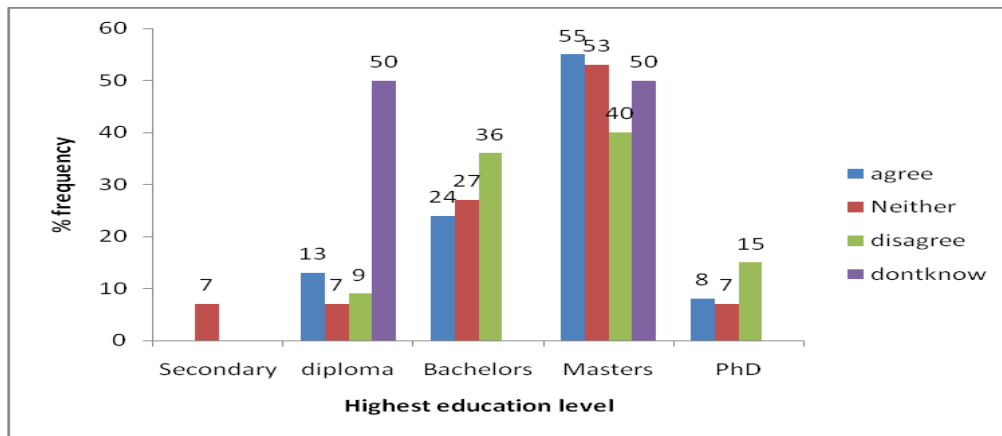


Figure 4.6 Education level versus Need for Feedback Mechanism.

4.3.6 Performance Contract as a Good Government Practice

Out of 81 responses, the study indicated that 76 (94percent) were in agreement that Performance contract is a good government practice while 5(6percent) indicated it's not a good practice. Of those who indicated it's a good practice, 48percent (39) were male while 46percent (37) were female. The results of the study further showed that of all the female staff who were interviewed, 97percent of them and 91percent of the male indicated that performance contract was a good government practice. All those staff aged below 34 years and those aged above 55years indicated yes on a yes and no scale while those aged between 35 and 54 scored 85percent and above as in table.4.5.

Table 4.5 Performance Contract as a Good Government Practice

		YES		No	
		N	percent	N	percent
Overall		76	94	5	6
Age	< 25	2	3	0	0
	26-34	24	32	0	0
	35-44	22	29	2	8
	45-54	20	27	3	13
	Above 55	7	9	0	0
Sex	Male	39	48	4	5
	Female	37	46	1	1

For those who indicated that Performance contract was a good government practice, they argued that PC aligns institutions towards goal achievement. When institutional goals are well defined, then realistic targets are set with each employee understanding what their role will be in achievement of the targets which helps in tracking each employee’s performance. This in turn discourages laxity and enhances performance resulting to increased production and efficiency in service delivery. PC enhances accountability at all levels ensuring optimal utilization of available resources. Reward and sanction mechanisms when well defined which motivate employees to perform their best hence realization of organizational goals. Setting targets and defining timelines ensures timely delivery of services in public institutions.

Those who were of the opinion that PC was not a good government practice felt that PC had no benefits for the employee and no follow-ups were made after signing of the contract. Some felt that it was used to witch hunt employees by the employer. All age groups registered high levels of agreement that PC was a good government practice ranging from 87percent-100percent with male and female respondents scoring 91percent and 97percent respectively.

4.4 Staff Personal Views on Signing of P.C

This section examined the views of the respondents on signing performance contract. The findings are summarized in table 4.6

Table 4.6 Staff personal views on signing of P.C

Variables	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Dont know
	Percent (N)	Percent (N)	Percent (N)	Percent (N)	Percent (N)	Percent (N)
Don't mind signing performance contract	29(24)	59(48)	7(6)	0(0)	1(1)	4(3)
Signs performance contract because it's a government directive	4(3)	35(29)	22(18)	27(22)	9(7)	4(3)
Enjoy my job when i have targets set each year without necessarily signing performance contract	29(24)	48(39)	10(8)	7(6)	4(3)	2(2)
Signing of performance contract is like a witch hunt to staff	2(2)	5(4)	17(14)	45(37)	28(23)	2(2)
Have the necessary information regarding performance contract	10(8)	37(30)	21(17)	16(13)	13(11)	4(3)
My view of my performance is taken into account by my appraiser when assessing my performance	7(6)	34(28)	18(15)	23(19)	11(9)	6(5)
Think performance contracting have been successful and is able to achieve the required objectives of the University	13 (11)	33(27)	27(22)	15(12)	9(7)	4(3)

Respondents' attitude about signing Performance contract as measured by the statement; "I don't mind signing performance contract" revealed that an overwhelming 88 percent (72) agreed with 29 percent (24) agreeing strongly and 59 percent (48) agreeing. Only 1 percent (1) was in disagreement while 7 percent were not decided and 4 percent had no opinion.

The level of ownership of the PC process was measured by the statement; "Signs performance contract because it's a government directive". Agreement recorded 39 percent with 35 percent (29) agreeing and 4 percent (3) agreeing strongly. There was a 36 percent level of disagreement, the percentage of the respondents who were undecided regarding this issue was 22 percent (18) and only 4 percent recorded lack of knowledge on the subject.

Job motivation was measured using the statement; “I enjoy my job when i have targets set each year without necessarily signing performance contract”. High motivation levels were observed with 77 percent agreeing with the statement, 29 percent (24) agreeing strongly and 48 percent (39) agreeing. Disagreement recorded 11 percent while those who were not decided 10 percent. Only 2 percent did not have an opinion on the subject.

To establish whether the employees felt witch hunted by signing the PC, 73 percent disagreed that PC was like a witch hunt to the employees. Those who strongly disagreed were 28 percent (23) while 45 percent (37) disagreed. Those who regarded PC as a witch hunt was represented by 7 percent, 17 percent were undecided while 2 percent had no knowledge of the subject.

The respondents’ level of knowledge about performance contracting was investigated by posing the statement; “I have the necessary information regarding performance contract”. Among the respondents, 47 percent (38) agreed that they had the necessary information with 37 percent (30) agreeing while 10 percent (8) agreed strongly. Te proportion of respondents who neither agreed nor disagreed was 21 percent (17), those who confessed to not having the necessary information being 29 percent (24) and those with no knowledge on the matter at 4 percent (3).

The respondents’ participation in performance appraisal process was measured by posing the statement; “My view of my performance is taken into account by my appraiser when assessing my performance” and the results revealed 41 percent (34) agreed, 7 percent strongly and 34 percent just agreed. The respondent who disagreed with the statement represented 34 percent (28) whereby 23 percent (19) disagreed and 11 percent (9) disagreed strongly. There was a proportion of 18 percent (15) who neither agreed nor disagreed and 6 percent (5) that did not have any knowledge on the subject.

To rate the success of the PC scheme, respondents were required to respond to the statement; “I think performance contracting have been successful and is able to achieve the required objectives of the University”. The respondents who agreed with the statement represented 43 percent (38) and 24 percent (19). Indecision about the subject stood at 27 percent (22) while lack of knowledge was at 4 percent (3).

The study revealed that majority of the respondents did not mind signing performance contract and would enjoy their job more when working with targets even without necessarily signing the contract. However, findings indicated that necessary information about PC was lacking for most of the respondents, going by the proportions of the respondents who said they didn’t have information and also the ones who didn’t have any opinion on the subject. The respondents’ view of their own performance was not taken into account by appraisers when assessing performance.

There was indication that PC has been successful and was able to achieve the required objectives of the University. Respondents did not regard PC as a witch hunt to staff.

Reliability Statistic

The scale items had standardized Cronbach's Alpha of 0.45. With α set at 0.05 the study indicated that there was significant difference between the means with Friedman's Test ($\chi^2 = 177.685$; d.f=6 ; p= 0.000).; Kendall's coefficient of concordance $W = .314$. on staff participation in the setting of performance contract with a grand mean of Grand Mean of 1.097. The difference between the means in the responses is explained by 66.277 out of a total of 106.842 with a mean square of .143 as in the Anova table 4.7

Table 4.7 ANOVA with Friedman's Test for Staff Personal View on PC

		Sum of Squares	df	Mean Square	Friedman's Chi-Square	Sig
Between People		22.253	77	.289		
Within People	Between Items	40.564 ^a	6	6.761	177.685	.000
	Residual	66.277	462	.143		
	Total	106.842	468	.228		
Total		129.095	545	.237		
Grand Mean = 1.097						
a. Kendall's coefficient of concordance $W = .314$.						

4.5 Staff Involvement in the Setting of Performance Contract

This section tested the perception of employees on their involvement in performance contracting processes. To investigate whether the respondents participated in the PC processes, they asked to indicate their levels of agreement with; “I am allowed to strongly participate and contribute in setting my realistic and achievable targets in the contract period”. Results are summarized in table 4.8.

Table 4.8 Staff Involvement in the Setting of Performance Contract

Variables	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Don't know
	Percent (N)	Percent (N)	Percent (N)	Percent (N)	Percent (N)	Percent (N)
Allowed to strongly participate and contribute in setting my realistic and achievable targets in the contract period	7(6)	23(19)	17(14)	32(26)	18(15)	2(2)
Feel the quality of work produced is better if involved in the setting of targets every year	43(35)	43(35)	11(9)	1(1)	0(0)	2(2)
I am continuously involved in the assessment of the targets within the contract period	7(6)	27(22)	23(19)	21(17)	18(15)	4(3)
The signing of performance contract has led to greater job satisfaction	13(11)	30(25)	27(22)	12(10)	11(9)	6(5)
Customer satisfaction has improved greatly through the signing of performance contract	13(11)	32(26)	23(19)	9(7)	12(10)	11(9)
There is increased output at the end of the contract period due to the signing of the performance contract	10(8)	33(27)	27(22)	10(8)	11(9)	10(8)
Overall, am satisfied that the agreed upon goals are realistic and achievable	13(11)	33(27)	26(21)	7(6)	9(7)	12(10)

Half of the respondents were in disagreement with the statement, 32 percent (26) disagreeing and 18 percent (15) disagreeing strongly. There was a 30 percent level of agreement that the employees were involved in setting of targets. This can be explained by the finding that at Multimedia University of Kenya, targets were agreed upon between the University management and heads of section while a huge workforce that was involved in implementation did not participate. A number of employees could neither agree nor disagree at 17 percent (14) while 2 percent (2) had no basis to judge the statement.

To check the impact of involvement in setting targets on quality of work, respondents responded to the statement; “I feel the quality of work produced is better if involved in the setting of targets every year”. An Overwhelming 86 Percent (70) was in agreement, 43 percent agreeing strongly and 43 percent agreeing. This revealed that employees unanimously agreed that involvement in target setting could result in improvement in quality of work. There was a proportion of employees who were however undecided if setting targets would improve the quality of work at 11 percent (9).

The researcher sought to establish if the respondents were involved in monitoring and evaluation of the set targets by soliciting responses to the statement; “I am continuously involved in the assessment of the targets within the contract period”. The study revealed that 39 percent (32) felt they were not continuously involved in target monitoring while 34 percent (28) agreed that they were continuously involved. The group that was not sure whether they were involved or not was represented by 23 Percent (19) of the respondents. Only 4 percent (3) did not have information on the subject.

Contribution of performance contracting towards job satisfaction was measured by posing the statement; “The signing of performance contract has led to greater job satisfaction”. Close to half of the respondents agreed with the statement at 43 percent (36) that they had experienced job satisfaction after signing of PC while 23 percent (19) disagreed with the statement. A huge 27 percent (22) were undecided whether there was job satisfaction or not after signing PC and 6 percent (5) had no basis to judge the subject.

Customer satisfaction as a result of performance contracting was measured by soliciting responses to the statement; “Customer satisfaction has improved greatly through the signing of performance contract”. Results indicated an improvement in customer satisfaction as a result of signing PC with 45 percent (37) agreeing with the statement, 13 percent agreeing strongly while 32 percent agreed. There was 21 percent level of disagreement among the respondents, 9 percent (7) disagreeing while 12 percent (10) disagreed strongly. Respondents who were undecided were 23 percent of the respondents while 11 percent did not have the basis to judge the statement.

The study sought to investigate the change in output caused by signing of performance contract by posing the statement; “There is increased output at the end of the contract period due to the signing of the performance contract”. The results revealed that 43 percent (35) were in agreement that signing performance contract resulted in increased output. Those of the opinion that there was no increased output represented 21 percent (17). A huge 27 percent (22) was not decided while 10 percent (8) had no knowledge about the subject.

To measure whether the goals set were realistic in the opinion of the respondents, the researcher posed the statement; “Overall, am satisfied that the agreed upon goals are realistic and achievable”. Results showed that 46 percent (38) were in agreement where 13 percent (11) agreed strongly. There was a 16 percent (13) level of disagreement, 26 percent (21) were undecided while 12 percent (10) had no knowledge about the subject.

The study revealed that respondents did not robustly contribute in setting of targets, neither are they constantly drawn in in measurement of the targets within the contract period. Areas of job satisfaction, customer satisfaction and output were generally rated as having improved as a result of PC. Respondents also were satisfied that the agreed upon goals were realistic and achievable.

Reliability Statistics

Cronbach's Alpha Based on Standardized Items was at .860, indicating high reliability. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) also is high at .832. With α set at 0.05 the study indicated that there was significant difference between the means with Friedman's Test ($\chi^2 = 67.8$; d.f=6; p= 0.000).; Kendall's coefficient of concordance W = .068 on Staff

involvement in the setting of performance contract With a grand mean of Grand Mean = 1.032 . A P value ≤ 0.000 shows that the differences between the means of these responses were statistically significant with the difference between staff views explaining most of this variation at 53.9 out of 63.4 With a mean square of 0.121 as in the Anova table 4.9 . The results also indicate that the 95percent confidence interval does not include a zero.

Table 4.9 ANOVA with Friedman's Test for Staff Perception on Involvement

		Sum of Squares	df	Mean Square	Friedman's Chi-Square	Sig
Between People		77.7	74	1.05		
Within People	Between Items	9.5	6	1.6	67.8	0.000
	Residual	53.9	444	0.1		
	Total	63.4	450	0.1		
Total		141.1	524	0.3		
Grand Mean = 1.032						
a. Kendall's coefficient of concordance W = .068.						

4.5.1 Does Performance Contracting Require Improvements?

Results indicate that 84 percent (67) of the staff interviewed agreed that performance contracting as implemented by the university needs improvements while 16percent (13) indicated that it does not require any improvements as it has improved service delivery (Table 4.10). When this question was analyzed by age, the categories of those aged 26-34 and 45-54 years were most (32 percent and 30 percent, respectively) likely to say “yes” than “no” compared to the other age groups. The participants aged 35-44 years were most (38 percent) likely to say “no” compared to the other age groups. In regard to sex, males were most likely to say yes (58 percent) to the need to improve performance contracting compared to the females with only 42 percent agreement to the question. Most (62 percent) women were not supporting the need to improve performance contracting. Among the respondents who proposed improvement of PC implementation, majority were Bachelors and Masters Degree holders at 28 percent and 38 percent, respectively.

Table 4.10 Percentages of Performance Contracting Requiring Improvement

Variables		Yes		No	
		N	percent	N	percent
Overall Age		67	84	13	16percent
	≤25	1	2	1	8
	26-34	21	32	2	15
	35-44	20	29	5	38
	45-54	20	30	4	31
	Above 55	5	7	1	8
Sex	Male	39	58	5	38
	Female	28	42	8	62
Education	Secondary	1	1	0	0
	Diploma	6	8	2	3
	Bachelors	22	28	3	4
	Degree				
	Masters	30	38	8	10
	Degree				
	PhD	7	9	0	0

Results show that employees generally felt left out during target setting and lack of clear job descriptions made it difficult for individual employees to be appraised. Communication regarding PC by management to the employees was not clear and most of them did not know how PC connects to the University goals and how individual University employees were expected to contribute towards these goals. Signing of performance contract was not fully cascaded to all staff members and low cadre staff were therefore forced to work towards meeting targets they did not understand because they were not involved in target setting in the first place. Targets should also be aligned with University resources and strategic plan and the review period shortened to every six months. Performance and appraisal reports were not shared with all staff members at the end of the period under review. Effective and continuous staff sensitization and feedback after every review period, respondents felt, would improve employees understanding of the PC scheme.

Those who were contented with PC as currently implemented said that the process was clear and well understood by all. Target setting was inclusive and targets set were realistic and achievable.

4.6 Discussion

Understanding of employee perception of any process in an organization is important for successful management of performance in the organization. From the results of the study it can be concluded that employees in Multimedia University of Kenya have negative perception of the performance contracting process. Managers should understand existing employee perceptions in the University to be able to align the perceptions with the University's strategic objectives. It is concluded from the study that employees in the University were not involved in the performance contracting process. Consequently, there was lack of ownership of the process, commitment and loyalty on the part of the employees which is a hindrance to the successful implementation of the process. As illustrated in Kobia and Mohammed (2006), stakeholders play a critical role in implementation of PC and therefore they should be involved in formulation to create ownership and enable setting of realistic targets. Most of the employees did not have the capacity to understand the performance contracting concept. Consequently, most employees were not able to conceptualize the link between the University's strategic objectives and individual performance. There is need for the University to sensitize and train its employees on the strategic planning process. Involving employees in the strategic planning process helps them to appreciate the goals of the institute, what needs to be done, and how well it should be done. Gibson and Boisvert (1997) argued that training imparts all stakeholders with the knowledge and skills required while working with data, understanding it and using it to advance efficacy.

The study revealed that there was no fair system of performance evaluation in the University leading to employees especially the hardworking ones being demotivated.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This part contains a summary of the results of the study and conclusions. It also contains recommendations and gives suggestion for further study.

5.2 Summary of the Findings

The objective of the study was to establish employee perception of performance contracting in Multimedia University of Kenya. Results show that most of the respondents felt that employees did not participate in the critical aspects of the performance contracting process like target setting, monitoring and evaluation of performance and also staff appraisal process. Procedure for evaluating and rewarding performance was not clear and fair. There were no clear procedures for feedback and channeling of performance related complaints. Larson (1984) emphasized on the importance of evaluations as they have an effect on the effectiveness of an organization and also regarded feedback as a “critical portion of an organization's control system”. Thus, the critical objective of performance appraisal ought to be to offer information that would best allow managers to progress employee performance. This, in an ideal world, provides information to help managers in such a way that employees’ performance improves (DeNisi and Pritchard, 2006).

With respect to the satisfaction level of employees towards performance appraisal systems, the results indicate that views of employees were not taken into consideration during the appraisal process. It was noted that the employees were not satisfied with how the performance appraisal system helped them identify their shortcomings hence improving their commitment and job satisfaction. The association between appraisals and performance is not straight and connecting but their influence on performance is attributable to their capability to boost merit pay and administration, Communication effectiveness, role clarity, instrumentality and expectancy estimates and perceptions of equity (Yehuda Baruch, 1996).

However there was a general feeling that there was improvement in the following aspects as a result of performance contracting process which had improved performance; work attitude, accountability, and motivation.

5.3 Conclusion

The study concludes that employees were not involved in critical aspects of the performance contracting Process. There was therefore no ownership, commitment and loyalty among the employees. The study also concludes that there was limited capacity among the employees to understand and conceptualize the performance contracting concept. Inability of the employees to link the University's strategic objective with individual performance is a hindrance to the successful implementation of the performance contracting process. The study further concludes that the University had not institutionalized Performance Evaluation and reward Systems. Feedback on Performance and channels for Performance related complaints were limited. This could be explained by the fact that the Organizational Structure of the University is bureaucratic and emphasizes hierarchy and Seniority consequently stifling free and open communication.

The overall findings of the study attest to the fact that managerial support, procedural fairness, individual understanding of the importance of performance appraisal to the organization, providing relevant and timely feedback, managerial commitment to the appraisal process would increase employee satisfaction which according to Yehuda Baruch, (1996) and DeNisi and Pritchard, (2006) would motivate employees to put up their best for the organization by improving their performance and commitment.

5.4 Recommendation

Employee perception is important in the successful implementation of any process in the organization. People take action based on how they perceive a situation and will act positively only if they perceive situations as being favorable to their personal interests. It is important therefore that managers in the University should try to understand employee perception and related concepts to be able to align employee interests and objectives to those of the organization. The University should involve its employees in the critical aspects of performance contracting process to win their ownership, loyalty and commitment for successful implementation of the process. It should also train and sensitize them on critical aspects of strategic planning process. Involving employees in the setting up process would enable them in

understanding the goals, vision and mission of the University. The University should develop policies that ensure employee involvement in the entire PC process and also on capacity building so as to gain employees full support during the implementation process and also to promote ownership.

5.5 Suggestion for further Study

Since the study was confined to employee perception of performance contracting in Multimedia University of Kenya, it is suggested that further studies should be carried out to establish the effect of perception on employee performance. These will not only help the University understand how perception impacts on performance, but it will also help to validate some aspects of the results of this study.

Although the data samples only capture one University, it is recommended that future researchers should include more Universities in order to give concrete generalizations and policy measures on how far performance Contracting can benefit both the employee and the organization and how it has been accepted in government institutions.

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APPENDIX A: QUESTIONNAIRE

Dear respondent: I am an MA student at the University of Nairobi. I am carrying out a research on “*Employee Perception of Performance Contracting in Multimedia University of Kenya*”. The questions in the sections below are multiple choice questions for you to select by ticking against the most appropriate option. Information given in this questionnaire will be used purely for academic purposes and will be treated with utmost confidentiality. Your participation is highly appreciated.

Part A: Demographic Data

1. Under which division of the University do you fall?

- | | |
|-------------------------|--------------------------------|
| Academic | <input type="text" value="1"/> |
| Research and Innovation | <input type="text" value="2"/> |
| Administration | <input type="text" value="3"/> |
| Finance | <input type="text" value="4"/> |
| Planning | <input type="text" value="5"/> |

2. Which of the following best describes your employee category?

- | | |
|---------------------|--------------------------------|
| Teaching Staff | <input type="text" value="1"/> |
| None Teaching Staff | <input type="text" value="2"/> |

3. How long have you been employed by the University?

- | | |
|---------------|--------------------------------|
| 1 – 5 years | <input type="text" value="1"/> |
| 6 - 10 years | <input type="text" value="2"/> |
| 11 – 15 years | <input type="text" value="3"/> |
| Over 15 years | <input type="text" value="4"/> |

4. Please tick appropriately Male 1 Female 2

5. i) Please indicate the highest level of your education by ticking one of the following

- Secondary school level 1
- Diploma level 2
- Bachelors Degree 3
- Masters Degree 4
- PhD Degree 5

Other (Specify).....

ii) Do you possess any professional qualification?

- Yes 1
- No 2

iii) If yes in 5(ii) above, which professional qualification do you possess?

Professional qualification (CPA, CPS, IMIS, AUI, KATC, MSK)

(Specify) _____

6. What age bracket do you fall? (Tick one)

- Less than 25 1 26 – 34 2
- 35- 44 3 45 – 54 4
- More than 55 5

B. Staff Perception on the Clarity of the P.C by the Government

Role of the Government on Signing Performance Contract

STATEMENT	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Do Not Know/ No Basis to Judge
1. The signing of the performance contract is a Government's directive. There is nothing I can do about it						
2. The government tries to meddle too much on the employees by imposing on the signing of the performance contract yearly						
3. The government exaggerates their expectations from employees at the beginning of every year in the contract period						
4. The government through the Commission for University Education (CUE), the university management should continually discuss performance contract and appraisal reports with university staff						

5. a) In your opinion, do you think the Performance Contracting concept is a good government practice? Yes

1

No

2

b) Please explain your answer in 5.a)
above.....

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C. Staff Personal Views on the Signing of P.C.
Personal view on Performance Contract

STATEMENT	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Do Not Know/ No Basis to Judge
1. I don't mind signing performance contract						
2. I sign performance contract because it is a government directive						
3. I enjoy my job when I have targets set each year without necessarily signing performance contract						
4. Signing of the performance contract is like a witch hunt to staff						
5. I have the necessary information regarding performance contract						
6. My view of my performance is taken into account by my appraiser when assessing my performance						
7. I think performance Contracting has been successful and is able to achieve the required objectives of the University						

D. Staff Involvement in the Setting of the Performance Contract

STATEMENT	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Do Not Know/ No Basis to Judge
1. I am allowed to strongly participate and contribute in setting my realistic and achievable targets in the contract period						
2. I feel the quality of work produced is better if am involved in the setting of targets every year						
3. I am continuously involved in the assessment of the targets within the contract period						
4. The signing of performance contract has led to greater job satisfaction						
5. Customer satisfaction has improved greatly through the signing of the performance contract						
6. There is increased output at the end of the contract period due to the signing of the performance contract						
7. Overall, I am satisfied that the agreed upon goals are realistic and achievable						

8. a) Do you think Performance Contracting as implemented by the University needs improvement?

Yes

No

b) Please explain your answer in 8.a)
above.....

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THANK YOU.