

**CHALLENGES IN THE IMPLEMENTATION OF PERFORMANCE
CONTRACTS: A SURVEY OF STATE CORPORATIONS BASED IN NAIROBI**

BY

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DECLARATION

I declare that this project is my original work and has never been presented to any examining body for the award of certificate, diploma or degree.

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ABSTRACT

Performance Contracting Strategy in Kenya originated from the perception that the performance of the Public Sector has been consistently falling below the expectations of the Public. The government resorted to committing public institutions to transparency and accountability using performance contracts.

Implementation of this strategy has been challenging to the stakeholders. It is within this context that this study was initiated to determine the challenges experienced by employees in the implementation of performance contracting in Kenyan state corporations.

Exploratory survey was used and a population sample of 35 state corporations based in Nairobi Kenya was selected using convenience sampling. Descriptive statistics and factor analysis was used to analyse the data collected.

The study concludes that performance contracting is implemented by state corporations in Kenya. Management is responsible for drawing performance targets based on the corporate strategic plan and expected outcomes. However, lack of adequate resources was rated highly as a major challenge. Policies, systems and structures were also mentioned as major setbacks. Measurement of performance was not clear to most state corporations. 51 % declared that they were experiencing many challenges in the implementation process while 49% had not experienced any significant challenges.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Performance Contracting Strategy originated from the perception that the performance of the Public Sector has been consistently falling below the expectations of the Public. Performance Contracting is part of broader Public sector reforms aimed at improving efficiency and effectiveness in the management of Public service (Kobia, 2006). The problems that have inhibited the performance of government agencies are largely common and have been identified as excessive controls, multiplicity of principles, frequent political interference, poor management and outright mismanagement (RBM Guide, 2005). While several approaches have been used to address these challenges, it is hoped that performance contract will be an effective tool for managing productivity.

A PC is a freely negotiated performance agreement between government, acting as the owner of the agency and the agency. It clearly specifies the intentions, obligations, responsibilities and powers of the parties. It addresses economic, social and other tasks to be discharged for Economic or other desired gain. The fundamental principle of performance contracting is the devolved management style where emphasis is management by outcome rather than management by processes. It therefore provides a framework for changing behaviours in the context of devolved management structures. Governments all over the world view performance contracting as a useful vehicle for articulating clearer definitions of objectives and supporting new management monitoring and control methods, while at the same time leaving day-to-day management to the managers themselves. It organizes and defines tasks so management can perform them systematically, purposefully and with reasonable probability of achievement. PCs are based on the premise that what gets measured gets done; if you cannot see and measure success, you cannot reward it; if you cannot recognize failure, you cannot correct it and if you can demonstrate results, you can win public support.

Public sector reforms have become a common phenomenon around the globe, especially in developing countries. These have become the way of responding to the needs of the taxpayers. One of the key priorities of the Kenya Government is to implement and institutionalize public sector reforms that would lead to an efficient, effective and ethical delivery of services to the citizens (Kobia, 2006). The government started implementing public sector reforms way back in 1993 with the aim of improving service delivery. There has been three phases in the implementation of different types of reform interventions. While there have been successes and challenges in the implementation of reforms in public service, different concepts and newer interventions have been introduced in the last three years. One such intervention relates to performance contracting in the state corporation and government ministries. Performance contracting is part of the broader public sector reforms aimed at improving efficiency and effectiveness in the management of public affairs.

Public services in many African countries are confronted with many challenges, which constrain their delivery capacities (Lienert, 2003). They include the human resource factor, relating to shortages of the manpower in terms of numbers and key competencies, lack of appropriate mindsets, and socio-psychological dispositions. There is also the perennial problem of the shortage of financial and material logistics that is necessary to support effective service delivery. On the other hand, the gradual erosion of the ethics and accountability has continued to bedevil the public sector in delivering public services to the people effectively. Public sector reforms meant to address these challenges have achieved minimal results (AAPAM, 2005).

Performance contracting is the process of identifying and measuring the results, outcomes or products obtained from a contract through the use of measurable indicators. The use of performance contracts (PCs) has been acclaimed as an effective and promising means of improving the performance of public enterprises as well as government departments. Essentially, a Performance Contract is an agreement between a government and a public agency, which establishes general goals for the agency, sets targets for measuring performance and provides incentives for achieving these targets. The success of PCs in such diverse countries as France, Pakistan, South Korea, Malaysia, India, and Kenya has

sparked a great deal of interest in this policy around the world. A large number of governments and international organizations are currently implementing policies using this method to improve the performance of public enterprises in their countries. PCs represent a state-of-the-art tool for improving both public and private sector performance. They are now considered an essential tool for enhancing good governance and accountability for results both in the public and private sector.

The primary development goal for any country is to achieve broad-based, sustainable improvement in the standards of the quality of life for its citizens. The Public service and in particular the civil service plays an indispensable role in the effective delivery of public services that are key to the functioning of a state economy. When the delivery of services is constrained or becomes ineffective, it affects the quality of life of the people and nation's development process (Kobia, 2006).

1.1.1 Performance Contracting

Performance contracting is a process of developing and implementing strategies to achieve corporate success. This is a functional level of or operational strategy where various functional areas contribute to achieving business and corporate strategic outcomes. Implementation of this strategy is challenging hence monitoring and control is necessary to take corrective measures. Operational excellence translates to corporation excellence.

Different scholars have defined PCs differently. However, they seem to hold similar views on the contents of PCs especially the fact that a performance contract is an agreement between two parties that clearly specifies their mutual performance obligations, intentions and responsibilities. It is a freely negotiated performance agreement between the government, acting as the owner of a government agency itself up to and including other levels of management in the organization. Most commonly, PCs include bonuses for a job well done. The increased interest in PCs coincides with demands for greater accountability.

Kumar (1994) as quoted by Kobia and Mohammed (2006) defines performance contract as a Memorandum of Understanding (MOU). MOU is rooted in an evaluation system, which not only looks at performance comprehensively but also ensures improvement of performance management and industries by making the autonomy and accountability aspect clearer and more transparent.

Nellis (1989) observes that PCs are negotiated agreements between management of a public enterprise and the enterprise itself in which the intentions, obligations and responsibilities of the two parties are freely negotiated and then clearly set out. Shirley (1998) advocates the view that the PCs seem to be a logical solution since similar contracts have been successful in the private sector, shifting them from ex-ante control to ex-post evaluation; thus giving managers the autonomy and the incentives to improve efficiency. Xu, Lixin (1997b) observes that PCs now widely used in developing countries where successful contracts have featured sensible targets, stronger incentives, longer terms, and managerial bonds but confined within competitive industries.

One can note from various views that performance contracting is among the multiple ways of improving efficiency of public enterprises. The adoption of PCs is an alternative public enterprise reform strategy where privatization may be less feasible due to political or technical reasons particularly those requiring sophisticated legal and regulatory structures or those that cannot be easily privatized for political reasons.

Shirley (1998) and Okumu (2004) studied the causes of failure of performance contracts and concluded that its due to lack of both intrinsic and extrinsic motivation; information asymmetry; insufficient commitment for both parties to the contract; poor incentives; impositions by government, no prior negotiations and contract terms willingly agreed to; managers having various stakeholders who include politicians, which then bring about conflicting objectives.

Studies by Gichira (2001) and Odadi (2002) focused on different contexts and themes about performance management. Gichira (2001) conducted a survey on employee performance management systems in the privately owned security services industry in Kenya, which however did not address performance contracting. Odadi (2002) on the

other hand, studied the process and experience of implementing new performance measurement tool but restricted his study to only the balanced scorecard, which also never considered the context of performance contracting.

Performance based contracting has been identified by both the private and public sectors as an effective way of providing and acquiring quality goods and services within available budgetary resources. Whereas within the private sector, profit orientation and competitiveness have necessitated the introduction of PCs, the public sector has taken long to embrace the practice especially in the developing countries (NPR 1997; PRMSIG 2001, Shirkey, 1998).

Performance contracting has been widely used in the public sector as well as private sector by the developed countries such as New Zealand, USA, the Netherlands, and France among others with marked success. The experience in developing countries through, citing case studies in China, India, Morocco, South Africa, Cote D'Ivoire and Gambia among others, have shown mixed results.

In this proposed research, performance contracting is viewed as a management tool for measuring performance that establishes operational and management autonomy between the government and state corporations, reducing the quantity of controls and enhancing quality of service delivery. It measures performance and enables recognition and reward for good performance and sanctions bad performance. It is vital to the effective implementation of an existing strategy within the corporation. In essence performance contracting has a lot of benefits for the organizations but its implementation has faced a lot of challenges including outright refusal to adopt them by some sectors such as teachers with their unions KUPPET, KNUT and the judiciary (Makokha, 2009). This therefore motivated the study to look into the challenges in the implementation of performance contracts in Kenyan state corporations.

1.1.2 State Corporations in Kenya

From 1963 when Kenya achieved political independence up to 1979 when a comprehensive review of the State Corporations sub-sector was carried out, the Government's participation in commercial activities grew rapidly and broadly resulting in state dominance in various forms (including monopolies) in many commercial activities. The establishment of the parastatals was driven by a national desire to (i) accelerate economic social development; (ii) redress regional economic imbalances; (iii) increase Kenyan Citizen's participation in the economy; (iv) promote indigenous entrepreneurship; and (v) promote foreign investments (through joint ventures). This desire was expressed in the Sessional Paper No. 10 of 1965 on African Socialism and its application to planning in Kenya.

State corporations are established by an Act of Parliament in Kenya. The State Corporations Act (Chapter 446) Laws of Kenya, defines a state corporation to include a company incorporated under the Companies Act, which is owned or controlled by the Government. State corporations in Kenya operate under various ministries and their top management or board members are appointed either by the President or the Minister of the respective ministry. Many of the corporations are set up to provide essential services and goods for the benefit of the entire country especially where this will not be attractive to the private sector for varied reasons for instance capital requirements, externalities, low profitability and nature of public goods. The Public Enterprise sector is divided in to three schedules: Enterprises in which the government is a minority shareholder; Enterprises in which the government is a majority shareholder or has 100% shareholding and Strategic corporation/departments.

The government privatised some parastatals as a deliberate policy to grow and sustain corporations, to satisfy customers, to respond to changing market conditions, to manage each functional area and most importantly to achieve set objectives. Fiscal reforms included establishment of Kenya Revenue Authority as an autonomous body to handle the revenue arm of government. Personal Identification System (PIN) was reinforced to enhance the revenue base in the country through tax collection.

1.1.3 Performance Contracting In Kenya

In Kenya, performance-contracting concept can be traced to early and mid-1990s when a few state corporations (Kenya Railways, national cereals and produce Board, Kenya Airways, Mumias Sugar Company and the defunct Kenya Post and Telecommunications) attempted to develop variant PCs. These were however, not implemented or when implemented were found unsuccessful. A new approach of performance-contracting concept in line with the objectives of Economic recovery strategy for wealth employment creation (2003-2007) was initiated with selected public enterprises on a pilot basis being subjected to PCs from October 2004. The Government of Kenya started sensitizing the public sector corporations on the concept of performance contracting using performance contract sensitization manual (GOK 2005a) and thereafter developed an information booklet on PCs (GOK 2005b) to guide the process of performance contracting.

The concept of performance Contracting was first introduced in the management of state corporations in 1989 (Kobia, 2006). A Parastatal Reform Strategy Paper, which was approved by cabinet in 1991, was the first official recognition of the concept of Performance Contracting as it was part of the following policies that were recommended to streamline and improve the performance of State Corporations: Divestiture or Liquidation of non-strategic Parastatals; Contracting out Commercial activities to the private sector; Permitting private sector competition for existing state monopolies; Improvements in the enabling environment of all strategic parastatals including removal of potentially conflicting objectives. Performance Contracts, where applicable are used to make transparent the cost of social services and to compensate the parastatals for their net costs.

The first two parastatals to be on Performance Contracting were Kenya Railways Corporation and the National Cereals and Produce Board. Kenya Railways signed PC's in April 1989 and National Cereals and produce Board signed in November 1990. Performance Contracts expanded from a pilot group of 16 commercial public enterprises in 2004. to eventually cover the entire public service in Kenya, comprising the following

institutions at the time: 38 Ministries and Accounting departments; 130 Public Enterprises; 175 Local Authorities.

In order to move the implementation of the public sector reform programme (PSRP) forward, the Government developed and launched the Strategy for Performance Improvement in the Public Service in 2001 (Muthaura, 2007). The Strategy sought to increase productivity and improve service delivery. It outlined the actions that were necessary to embed long lasting and sustainable change in the way public services are offered. Underpinning this strategy was the Results Oriented Management (ROM) approach, which makes it necessary to adjust operations to respond to predetermined objectives, outputs and results. The adoption of this approach therefore demanded a paradigm shift in Government. This called for a transformation from a passive, inward looking bureaucracy to one which is pro-active, outward looking and results oriented; one that seeks 'customer satisfaction' and 'value for money'. Consequently the ministries and departments were required to develop strategic plans, which reflected their objectives derived 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.

Performance Contracts has impacted positively on all the productive sectors of the economy. In particular, the enormous increase in tax revenue collection is enabling the government to speed-up and expand provision of essential social services and to implement key development programmes across the country. These include free primary and secondary education, intensified construction of roads, increased electricity connections, improved access to quality health care and increased food production as a result of prompt and improved payments to farmers. In addition to the widening of the tax base, the improvement in tax collection is also a reflection of increasing willingness to pay taxes, and by extension, reduction in tax evasion and tax avoidance. Indeed, the process of performance contracting has not only resulted in improved economic performance, but it has also won Kenya admiration at the international level.

1.2 Statement of the Problem

Performance contracting was introduced in the public sector from the perception that its performance has been consistently falling below public expectations. Performance contracting is therefore part of broader public sector reforms aimed at improving efficiency and effectiveness in the management of public service (Kobia, 2006). While several approaches have been used to address these challenges, it was hoped that performance contract would be an effective tool for managing productivity.

Whereas performance contracting has been credited with improvement in performance of several state corporations, it has also drawn a lot of criticism from some key stakeholders. There has been an outcry on the rankings of public corporations. There has been a claim of wrongs in PC ratings. For instance the Kenya Wildlife Service managing director claimed that his state corporation's performance has been above board and thus should be ranked fairly. Also, teachers may have been reluctant to sign the performance contract although their reasons are not convincing.

There are a few studies on performance contracts that have been done in Kenya. Kiboi and Mohammed (2006) conducted a study on management perception of performance contracting in state corporations in Kenya. Odadi (2002) did a study on the process and experience of implementing a new performance measurement tool but restricted it to the balance scorecard only. Korir (2005) conducted a study on the impact of PC in East African Portland Cement Company limited but the focus was on the profitability of the company as a measure of performance. As seen from the above literature, no study has explored the challenges of implementing performance contracts in Kenyan state corporations. This constituted a gap in literature and thus the motivation for this study. This study therefore sought to answer the following question: what are the challenges facing implementation of performance contracting in state corporations in Kenya?

1.3 Objective of the Study

To establish the challenges facing implementation of performance contracting in state corporations in Kenya.

1.4 Importance of the Study

The government of Kenya will benefit from the results of this study regarding the challenges the program faces and how well they can respond to the challenges in order to improve the efficiency and effectiveness of public service delivery.

The study will contribute to existing literature and provide a basis for further research in the area of corporate governance, strategic performance and performance-based contracts. Students, academics, researchers and practitioners will therefore find the study a useful guide.

1.5 Scope of Study

The scope of study was 134 state corporations in Kenya with specific reference to performance contracting. This study was geared towards understanding the challenges of implementing performance contracting strategy in Kenyan state corporations. Specific studies will be carried out on representative sample of all state corporations in Kenya. Due to the cost factor in terms of time and finance, State Corporations in Nairobi were chosen as a representative sample of Kenyan state corporations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Performance Contracting

The definition of PCs itself has been a subject of considerable debate among the scholars and human resource practitioners. Performance Contracting is a branch of management science referred to as Management Control Systems. A Performance contract is freely negotiated performance agreement between Government, organization and individuals on one hand and the agency itself (Kenya, Sensitization /Training Manual on Performance Contracts in the Public Service, 2005). It is an agreement between two parties that clearly specify their mutual performance obligations.

Kumar (1994) as quoted by Kobia and Mohammed (2006) defines performance contract as a Memorandum of Understanding (MOU). MOU is rooted in an evaluation system, which not only looks at performance comprehensively but also ensures improvement of performance managements and industries by making the autonomy and accountability aspect clearer and more transparent. OECD (1999) defines Performance Contract as a range of management instruments used to define responsibility and expectations between parties to achieve mutually agreed results. While some scholars argue that a common definition of performance contracting can be found, there are a considerable variety of uses and forms for quasi-contractual arrangements. In this paper performance contracting is used as a management tool to help public sector executives and policy makers to define responsibilities and expectations between the contracting parties to achieve common mutually agreed goals.

2.2 Global Implementation of Performance Contracting

Starting in France in the 1970's, performance Contracting has been used in about 30 developing countries in the last fifteen years (Lienart, 2003). In Asia, the Performance Contract concept has been used in Bangladesh, China, India, Korea, Pakistan and Sri Lanka. In Africa, PCs have been used in selected enterprises in Kenya, Benin, Burundi, Cameroon, Cape Verde, Congo, Cote d'Ivoire, Gabon, the Gambia, Ghana, Guinea,

Latin America, they have been used at different times in Argentina, Brazil, Bolivia, Chile, Colombia, Mexico, Uruguay and Venezuela. Others include Malaysia, United Kingdom, U.S.A, Canada, Denmark and Finland among others (Lienart, 2003).

Public enterprises in Africa are suffering financially and many are seeking financial assistance. Their problems stem from unclear and conflicting objectives, and a lack of autonomy and accountability (Kobia and Mohammed, 2006). The results of performance contracting have been mixed. In some countries, there has been a general and sustained improvement in public enterprise, while in other countries some Public enterprises have not responded or have been prevented by government policies from responding. In implementing PCs, the common issues that were being addressed include performance improvement so as to deliver quality and timely services to the citizen, improve productivity in order to maximize shareholders wealth, reduce or eliminate reliance on the exchequer, instil a sense of accountability and transparency in service delivery and the utilization of resources and give autonomy to government agencies without being subjected to the bureaucracies and unnecessary procedures.

In the global context, relative performance evaluation has been an aspect of contractual relations. Even when it is not explicitly written into a contract, relative performance evaluation (RPE) may be part of the implicit agreements that guide long-term remuneration. It has been argued that upward revision of Chief Executive Officers' salaries tends to be positively related to firm's performance, but negatively related to industry or market performance as a whole. There has been some positive correlation between the relative performance of funds (as indicated by their rank in published league tables) and inflow of new investment funds.

It has been argued that relative performance evaluation (RPE) is valuable if agents face some common uncertainty. To be precise, RPE is useful if other agent's performance reveals information about an agent's unobservable choices that cannot be inferred from his own measured performance. Of course, RPE-based contracts do not always work in the interest of the principals. Within organizations, basing reward on relative performance creates incentives to sabotage the measured performance of co-workers, to

collude with co-workers, or to self-select into a pool of low ability workers. Dye (1992) pointed out such contracts may distort choice by persuading manager to select projects where their relative talent, rather than their absolute talent, is the greatest.

Aggarwal and Samwick (1999) show that when firms compete in product markets, use of high-powered incentives may result in excessive competition. The need to soften the intensity of competition may induce principal to dilute incentives even when the net benefit of RPE contracts is positive. This may be difficult to implement, say, if individual performance as opposed to team performance is hard to measure. Grinblatt and Titman (1989) and Das and Sundaram (2002) focus on the differences between symmetric, fulcrum contracts (which penalize under-performance just as they reward out-performance), and asymmetric, incentive contracts (which reward out-performance without penalizing under-performance). Brennan (1993) provides an early attempt to study the general equilibrium implications of contracts that reward managers according to their performance relative to a benchmark portfolio.

2.3 Performance Contracting in Africa

In little more than a decade, Ghana has transformed the structure and strategy of its rural water supply sector. By 2000, district assemblies and communities played a significant role in planning supplies. The new policy and structure has attracted extra funds, and work is accelerating. This reform process started with an extended dialogue with the major stakeholders in the sector, out of which a new rural water and sanitation policy was developed. The policy was then implemented in several large pilot projects, supported by a number of external agencies, and finally the lessons from those projects were incorporated into the national performance contract program itself. The success of this approach was because national and international NGOs were contracted to build the capacity of local-level NGOs and CSOs. The Community Water Supply Agency (CWSA) was created as a facilitating agency rather than an implementer. CWSA, as a semi-autonomous public-sector agency, signs an annual performance contract with the State Enterprise Commission. It is committed to staying efficient and lean, below a 200 size

staff, and highly decentralized to its ten regional offices (Public Enterprise in Sub Saharan Africa. World Bank, Washington D.C. 2002).

The evolution of contract plans in Swaziland can be traced back to the early 1990's a period that witnessed the promulgation of the Public Enterprise (Control and Monitoring) Act of 1989 (Musa, 2001). The latter sought to establish viable control mechanisms for Swaziland's parastatal sector amid a national outcry that public enterprises were continuing, unabated, to be a financial as well as an administrative burden on the government (Musa, 2001). However, the performance agreement of the early 1990's failed to achieve its stated objective, that is to improve the performance of the Public enterprises. This was because of widespread use of consultants in the formulation of contract plans, including the determination mechanisms for their monitoring and evaluation; Public enterprise management did not develop the necessary sense of ownership and commitment to the success of the enterprise contracts. Lessons of experience with regard to the use of outside consultants, expert or advisors, especially from developed countries, in the formulation of development plans, have shown that while they may be knowledgeable about certain issues and areas that are generic to their field of specialization, they often lack an intimate knowledge of the unique socio-political and economic circumstances confronting individual countries, especially those of the third world (Musa, 2001)

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

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

2.4 Performance Contracting in Kenya

In Kenya, Choke (2006) studied the perceived link between strategic planning & performance contracting in state corporations in Kenya and found that most managers perceive PCs as a management tool useful in achieving set targets. Kiboi (2006) on the other hand studied the management perception of performance contracting in state corporations and achieved similar results. Korir (2005) also studied the impact of performance contracting at the East African Portland Cement. His study found that in the presence of PCs there is a corresponding improvement in performance.

2.5 Challenges of Performance Contracting

Clearly defined standards regarding the quality, quantity and timeliness provide objective data in evaluating contract performance (PBMSIG, 2002). For all service contracts, contract managers can use performance contracting to improve program performance, identify programs that work and those that do not, direct resources to those models or contractors that produce the desired results, improve service quality by sharing best practices throughout the system and support contract management decisions.

The effective implementation of performance contracting requires us to focus on the following questions: what is the outcome or change that we are looking for as a result of this contract? How will we measure and evaluate if the result has been achieved? How will contractor performance affect our management decisions? (AAPAM, 2005).

However, PC has some challenges. First, effectiveness measures, which examine whether the outcomes achieved were worthwhile and contained any long-term benefit, may be difficult to measure objectively (Dye, 1992). In other words, effectiveness measures look at the extent to which the program yielded the desired outcomes. This is a great challenge to multinational banks in those monitoring costs for their subsidiaries.

Another challenge of PC is the failure to articulate precisely how the specific performance measure will be defined, calculated and reported during the contract duration (Grinblatt and Titman, 1989). For example, if the output requires a number, the measure field should specify duplicated or unduplicated count and any other information

necessary to ensure that all contracts are reporting the information in the same manner. If the outcome requires the reporting of a percentage, the measure field should define both the numerator and denominator of the calculation.

Departments may establish performance goals for the duration of the contract or may identify goals on an annual basis (either by year of the contract or by fiscal year) and amend the contract based on experience, available funding, changes in target population or other variables (Kiboi, 2006). Departments have three options to consider when identifying goals: actual performance data, contract specific goals for groups of contracts or for each individual contract to account for unique client needs, geographic consideration, funding levels or other variables that impact on performance and organization wide goals for all employees.

In some cases, it may be difficult to identify concrete outcomes or results for a service. For example, training and education services might be provided with the goal of disseminating information and modifying people's behaviour, however, it may be difficult or impossible to track participants and determine whether the training helped people to think and act differently. In these cases, the development of or output measures such as the number of people served or the number of training sessions or outcome measures to evaluate the impact of the training effort such as pre/post test scores should be developed. If a department is unable to identify performance outcomes for a specific service type, a meeting with head of the section and other departments may be useful to stimulate new ideas and share best practices (Korir, 2005).

In order for performance measures to be useful, it must be clear to everyone precisely what is being measured and how the measures are calculated. Achieving this degree of clarity between both the contracted and the contractor is one of the most difficult and challenging aspects of performance contracting. Any ambiguities about what and how performance is being measured should be eliminated before the contract is executed. This will ensure that a contractor understands its responsibility and the data collected will be reliable (Musa, 2001).

Performance measure may involve the attainment of employment (PBMSIG, 2002).

However, there are many opinions as to what constitutes a “job.” It is the responsibility of the department to define that term in a way that addresses some of those unique characteristics of a job, such as any requirements concerning the number of hours worked each week, qualifying wage, benefit requirements and job retention requirements that, without being defined, might lead to disagreement between the contractors and the department. If a performance measure requires delivery within a specific timeframe, it would be important to define “working” days or “calendar” days to avoid any confusion. It is also important to define how performance will be calculated if the measure includes percentages. For example, there must be common agreement on how the numerator and denominator will be calculated. If measuring an actual number, it is important to address an issue such as duplicated or unduplicated count.

2.6 Conclusion

In order to provide a mechanism that supports the achievement of Economic Recovery Strategy (ERS) and achievement of Millennium Development Goals (MDG's), all ministry and public enterprise need to develop a Strategic Plan and strive to achieve its mission and objectives (Kobia, 2006). Strategic planning in all public sector organizations should therefore aim at strengthening and looping linkages with policy, planning and budgeting. The human resource function needs to be aligned with the strategic goals of the organizations. Individuals derive individual work plans from the strategic plan. It is this work plan that forms a basis for the performance contract, which is then implemented, evaluated and the information used to inform decisions on performance improvement. However, this process has not been without challenges. First, there is witnessed an absence of clear, well-formulated objectives based on strategic plan. This makes it difficult to assess organizational and individual performance. Second, public enterprises develop strategic plans without involving all stakeholders, which leads to lack of ownership and in turn makes it difficult to achieve strategic objectives.

The literature above reveals the challenges that performance contracting face in terms of its implementation. Given that the literature on the challenges is largely on implementation of performance contracts in other countries other than Kenya, this

constitutes a gap in literature as concerns its implementation in Kenya. The fact that studies on performance contracting in Kenya have not focused on state corporations while those on state corporations have not focused on challenges of implementation of performance contracting in the public sector, this study comes in to fill the gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

An exploratory survey was used in carrying out this study. The survey method was preferred for this type of study as it enabled the sampling of different characteristics exhibited by the members of the defined population. This exploratory survey increased familiarity with the problem as information was gathered, clarity of concepts, and formulated a problem for further research. Exploratory survey is characterized by its flexibility with respect to the way it is used to gain insight and develop hypothesis. This method allowed for the much needed flexibility required to obtain useful data for analysis and interpretation.

3.2 Population

The target population used was 80 state corporations whose head quarters are based in Nairobi Kenya (refer to appendix 2). This number of state corporations is derived from the Kenya government website.

3.3 Sample and Sampling Procedure

From the list of state corporations, 80 had their head offices in Nairobi and were therefore the target population. Convenience sampling was used to select the sample because the population was not easy to penetrate. This procedure helps get some basic information quickly and efficiently as well as capture general challenges of implementing performance contracts. A sample size of 40 state corporations was selected. Statistically this sample was acceptable because it conformed to the widely accepted rule of thumb that a sample size should not be of less than 30.

demographics while section B contained questions regarding challenges of implementing PC in state corporations. The respondents to the questionnaires were the human resource managers or managers responsible for performance contracting coordination, implementation, monitoring and/or evaluation in the selected state corporations. The method of questionnaire administration was through drop-and-pick later method.

3.5 Data Analysis

The complete questionnaires were edited after completion of each interview. They were then checked and the ones which were not fully completed or with errors were discarded. Data was then analysed using descriptive statistics such as mean scores, frequencies, standard deviations and percentages which were used to interpret the results. Factor analysis was used to determine the most important challenges facing implementation of performance contracts in Kenyan state corporations and was sector specific. Presentation of results was made in tables and charts with brief explanations.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

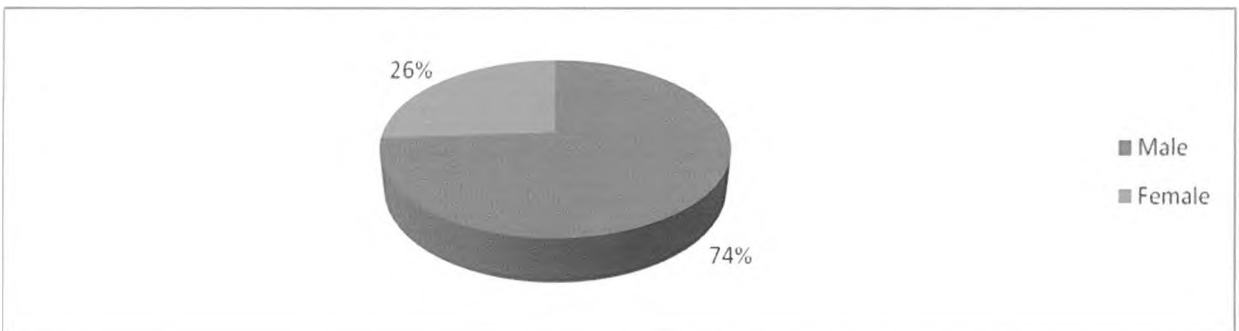
4.1 Introduction

This chapter presents the data analysis and interpretations of the findings. Data from the field was first coded and analyzed using Statistical Package for Social Sciences. This was then summarized using tables, charts, frequencies, mean and percentages.

4.2 Social demographic information

4.2.1 Gender Distribution

Figure 4.1 Gender Distribution



The findings in the figure 4.1 show the gender of the respondents. From the study, most of the respondents were males as indicated by 74%, while females were shown by 26%.

4.2.2 Age bracket

Table 4.1 Age bracket

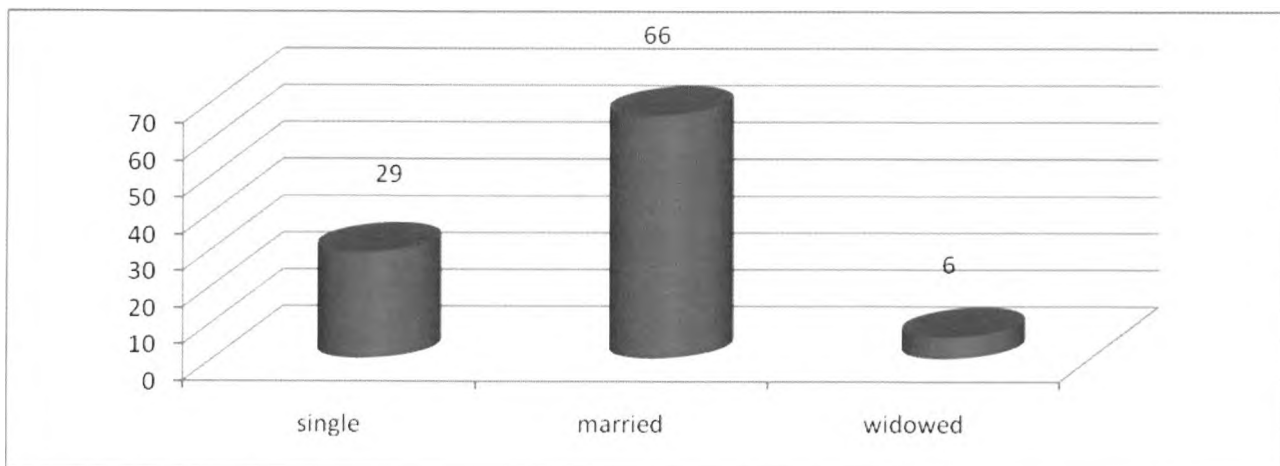
Age group	Frequency	Percent
below 35	10	29
35-40	11	32
41-45	14	40
Total	35	100

Data portrayed in the table above shows that majority of the respondents were in the age group of 41 to 45 years (40 percent) while 32 percent were in the age group of 35 to 40 years. 29 percent were in the age group of persons below 35 years.

4.1.3 Marital status

The study also sought to establish the respondents' marital status. The figure 4.2 shows the results.

Figure 4.2 Marital status



According to the findings, most of the respondents (66%) were married, 29% of the respondents were single, while a small proportion of respondents as shown by 6% were widowed.

4.1.4 Highest level of education*Gender cross tabulation

In this section, the researcher aimed at establishing the highest level of education that the interviewed respondents had attained cross tabulated against gender. The results are as shown below.

Table 4.2 Highest level of education*Gender cross tabulation

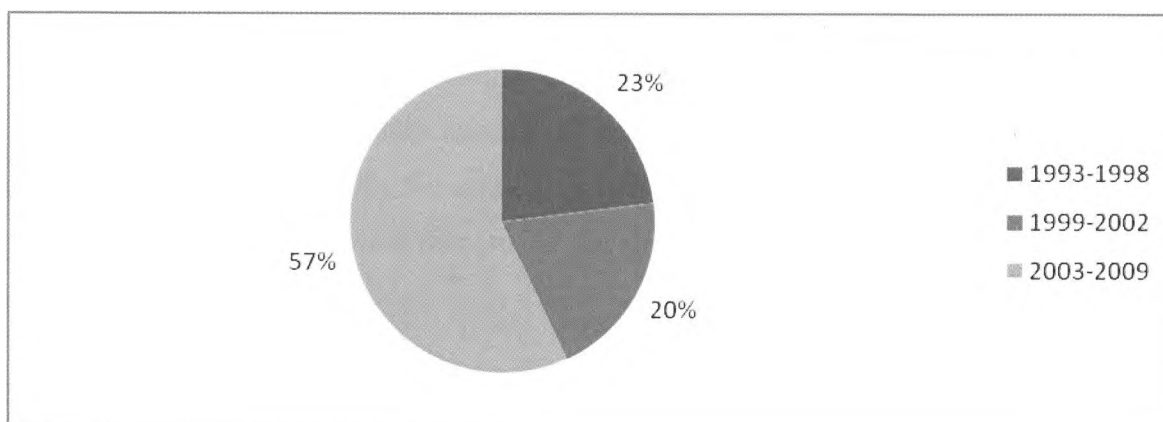
		Highest level of education			Total
		bachelors	masters	PhD	
Gender	male	3	20	3	26
	female	7	2	0	9
Total		10	22	3	35

Data portrayed in the table 4.2 shows that majority of the male respondents had attained masters degree level of education and they comprised of 20 while 3 had a bachelors level of education with 3 having PhD level of education .On the side of female respondents, majority of them (7) had bachelors level of education while only 2 had attained a masters level of education. None of the female respondents had achieved a PhD level of education.

4.2 Year of joining public service

In this section, the researcher aimed at establishing the time in which the respondents had joined public service.

Figure 4.3 Year of joining public service



Findings from the figure 4.3 shows that majority of the respondents had joined the public service in the period of 1993 to 1998 and comprised of 57 percent.23 percent had joined the service in the period of 1993 to 1998 while only 20 percent had joined the public service in the period of 1999 to 2002.

4.3 Number of years in present corporation

Table 4.3 Number of years in present corporation

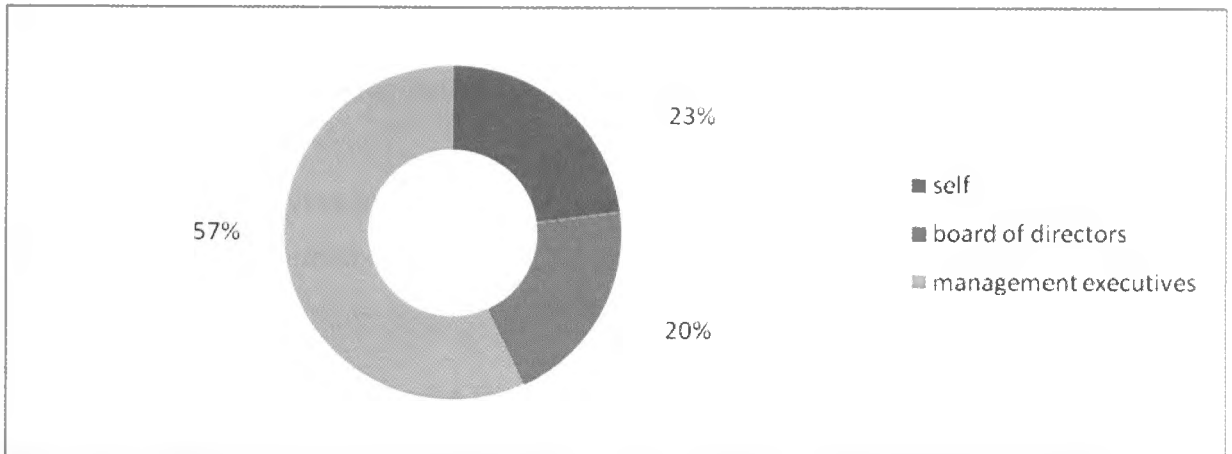
	Frequency	Percent
less than 2 years	21	60
less than 5 years	11	31.42857
less than 10 years	3	8.571429
Total	35	100

Data portrayed in the table 4.3 shows that majority of the respondents (60 percent) had been in their present corporation for a period of less than 2 years. This was closely followed by 31 percent of the respondents who had been in the present corporation for a period of less than 5 years. Only 9 percent had been in their present corporation for a period of less than 10 years.

4.4 Target for state corporation in line with corporate strategic plan

This section aimed at identifying whether the targets for the corporation were in line with their strategic plans. Surprisingly enough, all respondents agreed that the targets for the corporation were in line with the strategic plans. The researcher proceeded to inquire from the respondents who were responsible for developing these targets. The results are as shown below.

Figure 4.4 responsibility of drawing targets

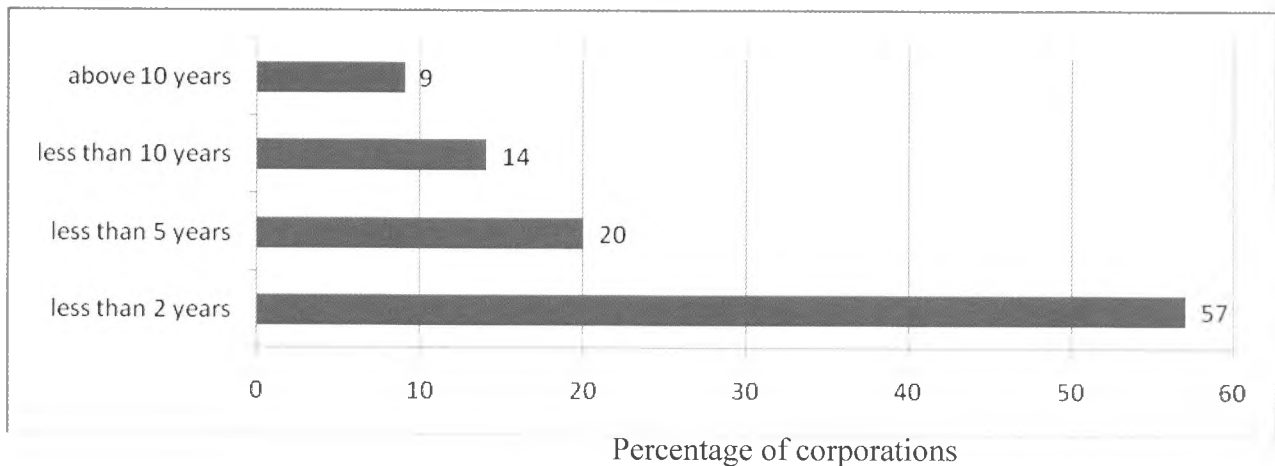


Results from the figure 4.4 shows that majority of the respondents cited management executives as being responsible for drawing these targets, followed by 20 percent who cited board of directors' as being responsible for drawing these targets. However 23 percent cited themselves as being responsible for drawing these targets.

4.5 How long have you been using performance contracts?

In this part of study the researcher aimed at identifying the number of years that the respondents had been using performance contracts.

Figure 4.5 Experience with performance contracts(Years)



Data portrayed above shows that most of the respondents agreed to have used performance contracts for a period not exceeding 2 years (57 percent) with 20 percent agreeing that they had been using performance contracts for a period of less than 5 years. Only 9 percent had been using performance contracts for a period exceeding 10 years.

4.6 Number of employees in the state corporation

This section of study aimed at identifying the number of employees that were at the state corporations. The table below shows the results

Table 4.4 Distribution of employees

Number of employees	Frequency	Percentage
Less than 100	19	44
100 to 200	11	31
200 to 300	3	9
300 and above	2	16
Total	35	100

The table above shows that 44 percent of the respondents cited that the number of employees in their corporations was less than 100, with 31 percent citing that the number of employees was 200 to 300. In addition, 16 percent mentioned that their corporations had 300 and above number of employees.

4.7 Views on performance contracting

This section was aimed at establishing the different views that the respondents had on performance contracting. Respondents were given a set of question which they either agreed or disagreed according to their views.

Table 4.5 Views on performance contracting targets

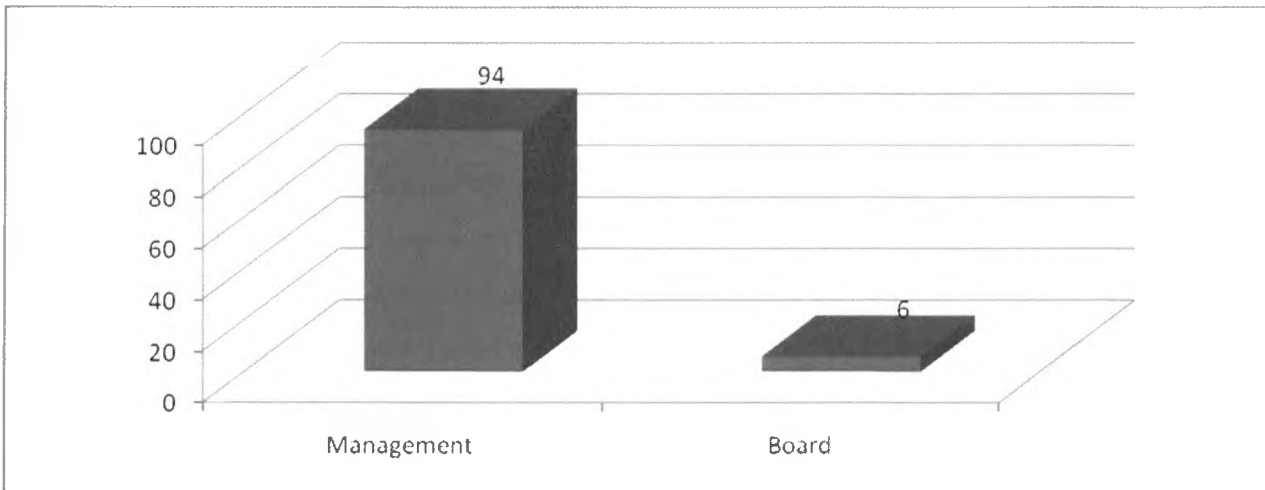
View	Agree		Disagree		No comment		Mean	Standard deviation
	Freq	%	Freq	%	Freq	%		
Do you have a specific corporation that deals with performance contract	27	77	8	0	0	0	1.2273	0.4239
Is your corporation involved in setting up objectives agreed upon in the performance contract	28	80	2	5	5	14	2.2045	0.438
Are these performance target freely negotiated and agreed upon	30	86	5	0	0	0	1.1591	0.3699
Do you base your targets on performance contracts signed with the management	35	100	0	0	0	0	1.001	0.001

Data from the table 4.5 shows that majority of the respondents agreed that they based their targets on performance contracts signed with the management, comprising of 35 percent and a mean of 1.001 with a further 30 percent and a mean of 1.15591 agreeing that the performance targets are freely negotiated and agreed upon. However 23 percent denied that they had a specific corporation that dealt with performance contract with a lesser percentage of 14 percent denying that the performance targets were freely negotiated and agreed upon.

4.8.1 Person responsible with drawing the responsibilities and commitment for employees

This section aimed at identifying the person that was responsible for drawing the responsibilities and commitment for employees.

Figure 4.6 Responsibility for assigning the responsibilities and commitment for employees

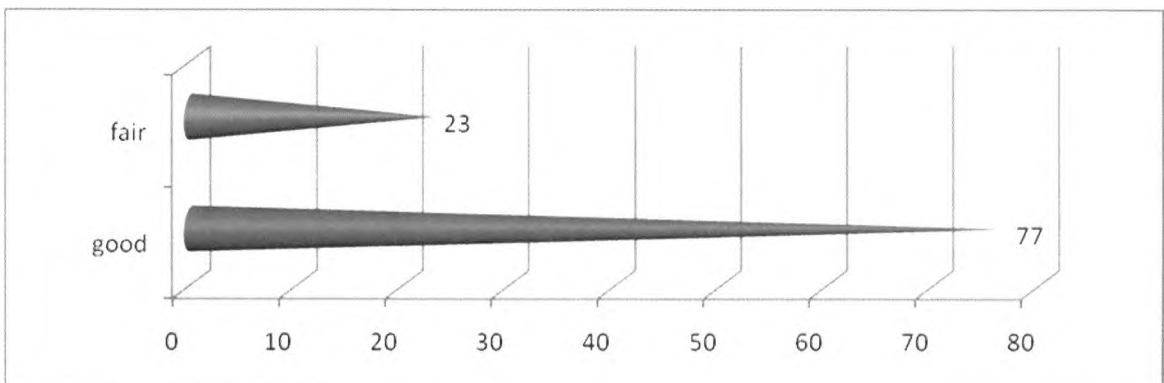


Data from the figure above shows that most of the respondents agreed that the management was responsible for drawing the responsibilities and commitment for employees, comprising of 94 percent while the rest 6 percent cited the board as being responsible for drawing the responsibilities and commitment for employees

4.8.2 General trend of performance since introduction of performance contracting

The aim of the researcher in this section was to establish the broad-spectrum trend of performance on the corporation after introduction of performance contracting. The results are portrayed as per the figure below.

Figure 4.7 General trend of performance since introduction of performance contracting



Data from the figure above shows that the general trend of performance on the corporation after introduction of performance contracting according to a majority of the respondents was good (77 percent) while 23 percent cited the general trend of performance on the corporation after introduction of performance contracting as being fair.

4.8.3 Responsibility for implementing the contract

In this section, the researcher aimed at establishing who was responsible for implementing the contract. Surprisingly enough, all respondents quoted the management. The researcher proceeded to enquire whether they had experienced any problems in implementing the contract. The results are portrayed in the table below.

Table 4.6 Problems experienced in implementing the contract

	Frequency	Percent
yes	17	49
no	18	51
Total	35	100

Data revealed in the table above shows that most of the interviewed respondents had experienced problem in implementing the contract and this consisted of 49 percent while 51 percent declared that they had not experienced any problems in implementing the contract.

4.9 Weaknesses of performance contracting

This section of study intended to establish the various weaknesses of performance contracting that the respondents had experienced. This is as shown in the table below.

Table 4.7 Weaknesses of performance contracting

	No extent at all	Low extent	Moderate extent	Great extent	Very great extent	Mean
Unplanned staff transfers	8	31	43	6	12	8.1714
Resources not released on time	0	23	23	40	14	3.4571
Highly ambiguous targets	0	6	23	29	42	9.4571
Lack of adequate resources	0	0	6	51	43	4.3714

Data portrayed in the table above shows that lack of adequate resources was the most highly rated weakness of performance contracting and comprised of 43 percent, with highly ambiguous targets being rated as the secondly highest comprising of 42 percent. 43 percent least cited unplanned staff transfers as a weakness of performance contracting.

4.10 Impact of performance contracting on operational issues of the corporations

Table 4.8 Impact of performance contracting on operations

Problem	Agree	Disagree
Over staffing	20	80
Staff remunerations	23	77
Multiplicity of objectives	40	60
Procurement procedures	51	49
Bureaucratic process	69	31
Political patronage	77	23
Transparency and accountability	83	17
Corporate governance	86	14

The results from the table above reveal that most respondents agreed that performance contracting had a major impact on performance contracting; comprising 86 percent while a lesser percent of 83 agreed that performance contracting had a major effect on transparency and accountability. However 80 percent of the respondents disagreed that performance contracting had been affected by over staffing with 77 percent also disagreeing that performance contracting had an effect on staff remunerations

4.11 Challenges facing implementation of performance contracting

This section was aimed at identifying the view of the respondents on the challenges that faced the implementation of performance contracting.

Table 4.9 Challenges of performance contract implementation

Challenge	Not at all	Low extent	Moderate extent	Great extent	Very great extent	Mean	Std deviation
Means used to evaluate results is not fit for this organization	0	17	23	60	0	3.3636	0.8096
There is lack of expertise for those charged with implementing PC in the organization	20	34	6	40	0	3.4091	1.2997
Performance contracting is expensive to implement	0	20	20	57	3	3.9091	1.3086
Employees are generally resistant to sign the contracts	54	6	11	23	6	2.1136	1.4178
The employees were not involved in the setting of targets for which they are to sign their commitment to	14	0	37	26	23	3.4092	1.298
Finances are not enough to implement performance contract	17	20	6	26	31	3.3182	1.5518
It is not clear to everyone in the organization what is being measured and how the measure is calculated	0	0	8	60	32	4.25	0.5757

Data presented in table 4.9 above shows that 32 percent of the respondents agreed to a very great extent that one of the major challenge facing implementation of performance

contracting was that it was not clear to everyone in the organization what was being measured and how the measure was calculated, with 31 percent also strongly agreeing that finances were not enough to implement performance contract. 34 percent of the respondents agreed to a low extent that there was lack of expertise for those charged with implementing pc in the organization, while 54 percent did not agree at all that employees were generally resistant to sign the contracts.

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings from chapter four, conclusions and recommendations of the study based on the objectives of the study.

5.2 Summary of the Findings

From the study, majority of the respondents (66%) were married, 29% of the respondents were single, while a small proportion of respondents as shown by 6% were widowed

In addition, majority of the male respondents had attained masters degree level of education while on the female respondents, majority of them had bachelors level of education while only 2 had attained a masters level of education

In the period in which the respondents had joined the public service, the study found out that that majority of the respondents had joined the public service in the period of 1993 to 1998 and comprised of 57 percent 23 percent had joined the service on the period of 1993 to 1998

The study also established that majority of the respondents (60 percent) had been in their present corporation for a period of less than 2 years. This was closely followed by 31 percent of the respondents who had been in the present corporation for a period of less than 5 years.

On the issue of strategic planning, the study found out that most of the respondents agreed that the targets for the corporation were in line with the strategic plans. On the issue of who drew the performance contract targets, majority of the respondents cited management executives as being responsible for drawing these targets, followed by 20 percent who cited board of directors' as being responsible for drawing these targets

The study also found put that most of the respondents agreed to have used performance contracts for a period not exceeding 2 years (57 percent) with 20 percent agreeing that they had been using performance contracts for a period of less than 5 years.

The study also inquired on the number of employees and found that the number of employees in most corporations was less than 10

performance target freely negotiated and agreed upon. However 23 percent denied that they had a specific corporation that dealt with performance contract

The study also found out that most of the respondents agreed that the management was responsible for drawing the responsibilities and commitment for employees, comprising of 94 percent while the rest 6 percent cited the board as being responsible

On the issue of performance after introduction of performance contracting, the study found that the general trend of performance on the corporation after introduction of performance contracting according to a majority of the respondents was good (77 percent) while 23 percent cited the general trend of performance on the corporation after introduction of performance contracting as being fair.

In addition, the study also established that most of the interviewed respondents had experienced problem in implementing the contract and this consisted of 51 percent while 49 percent declared that they had not experienced any problems in implementing the contract.

On the issue of weaknesses of performance contracting, lack of adequate resources was the most highly rated weakness of performance contracting and comprised of 51 percent, with highly ambiguous targets being rated as the second highest weakness comprising of 42 percent. 40 percent agreed to a great extent that resources not being released on time as a weakness of performance contracting. 43 percent cited unplanned staff transfers as a weakness of performance contracting to a moderate extent.

The study also found out that most respondents agreed that performance contracting had a major impact of performance contracting, comprising 86 percent while a lesser percent of 83 agreed that of performance contracting had a major effect on transparency and accounting.

On the issue of challenges that faced performance contracting implementation, the study found out that 60 percent of the respondents agreed to a great extent that it was not clear to everyone in the organization what was being measured and how the measure was calculated. 31 percent also strongly agreed that finances were not enough to implement performance contracting strategy effectively and efficiently and that the management ought to communicate the strategy both inside and outside the organ and be consistent over time.

5.3 Conclusions

From the findings, the study concludes that performance contracting is implemented by state corporations in Kenya and that the set targets are in line with the corporate strategic plan. It is clear from the study that respondents' agreed to implement the performance contracting.

In addition, the study concludes that most state corporations have the management being responsible for drawing the responsibilities and commitment for employees, deriving these from corporate strategic plan. In addition, the study also concludes that performance targets were freely negotiated and agreed upon by employees and the management. This strengthens the motivation of staff and helps them highly identify with the corporation.

The study also however concludes that most corporations had practical problems when implementing performance contracts. Performance contracting is a process of developing and implementing strategies to achieve corporate success. The state corporation reflects on the past to inform the future and decides where it should be. Specific goals to be achieved are set and a strategy crafted to put together the objectives. Implementation of the strategy is the most difficult stage and monitoring and control is necessary to take corrective measure.

5.4 Recommendations

The study recommends that all state corporations should embrace performance contracting and should put measures in place to circumvent the challenges that face the implementation. State corporations should realistically analyze internal capabilities using both functional and value chain approaches embracing regulatory influence and government policy.

It is important that state corporations find a strategic fit by matching their activities to the environment. Their strategy is shaped by external factors such as macro environment, industry, competition, consumers, and government as well as internal factors such as resources, competence and culture management .

In addition, the study recommends that in order to improve on transparency and accountability of public funds, politicians should not interfere or patronize the

management of state corporations. Most often than not they advance the agenda of bureaucracy with little respect for corporate governance. Under such circumstances it is hard to judge performance and to motivate managers and hold them accountable for results.

The study recommends that government should provide an enabling environment to state corporations to enhance performance as state corporations critically depend on the environment for survival. All stake holders should be consulted in both formulation of strategic plans where performance contracts are derived from and implementation of performance contracting strategy. This will enhance ownership and reduce resistance to change and other barriers.

In conclusion, the study also recommends that for effective performance contracting, finances and expertise for those charged with implementation should be made available. This means there should be a commitment of resources to action

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APPENDICES

Appendix 1: Introduction Letter

Dear Sir / Madam,

This questionnaire is designed to help carry out a survey of Performance Contracting practices in the state corporations in Kenya. This is for the purpose of assessing the strengths and weaknesses of performance contracting on the corporation and challenges of implementing performance contracting by multinational banks.

My sincere request is to urge you respond to the questions sincerely. The researcher is carried out purely for academic purposes and all the information obtained from you will be treated with confidentiality it deserves. It is only the researcher and the project supervisor who will have access to the information given. Upon request, the summary of the results will be made to you after the information collected is duly analyzed.

Thank you very much for your valuable time and co-operation. .

Yours sincerely,

Joyce Njogu

(MBA Student)

Prof Kobonyo

Lecturer/Supervisor

Department of Business Administration

School of Business

University of Nairobi

Appendix 2: Questionnaire

Please freely answer the question below. The information provided will be treated with the highest degree of confidence.

Section A: General information

1. What is your gender?

Male ()

Female ()

2. What is your age?

Below 35 years ()

35-40 ()

41-45 ()

46-50 ()

50 and above ()

3. What is your marital status?

Single ()

Married ()

Divorced ()

Widowed ()

4. What is your highest level of education?

Diploma ()

Bachelors ()

Masters ()

PhD ()

5. When did you join the public service?

Before 1986 ()

1987-1992 ()

1993-1998 ()

1999-2002 ()

2003-2009 ()

6. For how long have you been in the present department?

Less than 2 years ()

Less than 5 years ()

Less than 10 years ()

Above 10 years ()

7. Are the targets for the department in line with strategic plan?

Yes ()

No ()

8. For how long have you been using performance contracts?

Less than 2 years ()

Less than 5 years ()

Less than 10 years ()

Above 10 years ()

9. What is the number of employees in your department?

Please specify?.....

10. If your answer in 7 above is yes, who develops those targets?

Self ()

Board of directors ()

Management Executive ()

Head of department ()

Others (specify) ()

11. Do you base your targets on performance contract signed with the management?

Yes ()

No ()

12. Do you have a specific department/section that deals with performance contract?

Yes ()

No ()

Section B: Challenges of Performance Contract Implementation

1. Is your department involved in setting up of objectives/targets agreed upon in the performance contract?

Yes ()

No ()

2. Are these performance targets freely negotiated and agreed upon?

Yes ()

No ()

3. In the performance contract, who comes up with the responsibilities and commitment of the employees?

Management team ()

Board ()

Employees ()

Others (please specify)

4. What can you say is the general trend of the performance of the department after the introduction of performance contracting (tick one)

Excellent ()

Good ()

Fair ()

Poor ()

5. Who is responsible for the implementation of the contract?

Management (executive) ()

Head of department ()

Others (please specify).....

6. Did you experience any practical problems in implementing the contract?

Yes ()

No ()

If yes, please explain.....
.....

7. In your opinion, to what extent do you consider the following to be weaknesses of performance contracting? Please use a five (5) point rating scale where: -

1 = No extent at all and 5 = Very great extent

1 2 3 4 5

1. Lack of adequate resources () () () () ()

2. Resources not released on time () () () () ()

3. Highly ambitious targets () () () () ()

4. Unplanned staff transfers () () () () ()

6. Other (Specify) _____ () () () () ()

8. In your own view, has performance contracts impacted on the following problems

Political patronage (interference) ()

Over staffing ()

Bureaucratic process ()

Staff remuneration ()

Procurement procedures ()

Transparency and accountability ()

Corporate governance ()

Multiplicity of objectives ()

9. State the extent to which you agree with the following statements as challenges facing implementation of performance contract in your organisation.

1 = No extent at all and 5 = Very great extent

Statement	1	2	3	4	5
The performance contract is expensive to implement					
The employees are generally resistant to sign the contracts					
The means used to evaluate results is not fit for this organisation					
There is lack of expertise for those charged with implementing PC in the organisation					
The employees were not involved in the setting of targets for which they are to sign their commitment to					
The finances are not enough to implement performance contract					
It is not clear to everyone in the organisation what is being measured and how the measure is calculated					

End of questionnaire

Appendix 2: State Corporations

1. Agricultural Development Corporation
2. Agricultural Finance Corporation
3. Bomas Of Kenya Limited
4. Capital Markets Authority
5. Catering and Tourism Development Levy Trustees
6. Coffee Board Of Kenya
7. Commission For Higher Education
8. Communication Commission of Kenya
9. Consolidated Bank Of Kenya
10. East African Portland Cement Co.
11. Egerton University
12. Export Processing Zone Authority
13. Export Promotion Council
14. Higher Educations Loans Board
15. Horticultural Crops Development Authority
16. Insurance Regulatory Authority
17. Industrial and Commercial Development Corporation
18. Jomo Kenyatta University Of Agriculture and Technology
19. Kenya Accountants and Secretaries National Examinations Board(KASNEB)
20. Kenya Airports Authority
21. Kenya Anti-corruption Authority
22. Kenya Broadcasting Corporation
23. Kenya Bureau Of Standards
24. Kenya Civil Aviation Authority
25. Kenya College of Communication and Technology
26. Kenya Dairy Board
27. Kenya Electricity Generating Company
28. Kenya Ferry Services Limited
29. Kenya Forestry Research Institute

30. Kenya Industrial Estates
31. Kenya Industrial Research & Development Institute
32. Kenya institute of Administration
33. Kenya Institute of Public Policy Research and Analysis
34. Kenya Literature Bureau
35. Kenya Marine and Fisheries Research Institute
36. Kenya National Examination Council
37. Kenya National Library Services
38. Kenya National Shipping Line
39. Kenya Ordinance Factories Corporation
40. Kenya Pipeline Company
41. Kenya Plant Health Inspectorate Services
42. Kenya Ports Authority
43. Kenya Post Office Saving Bank
44. Kenya Railways corporation
45. Kenya Revenue Authority
46. Kenya Roads Board
47. Kenya Safari Lodges & Hotels
48. Kenya Sugar Board
49. Kenya Sugar Research Foundation
50. Kenya Tourist Board
51. Kenya Tourist Development Corporation
52. Kenya Utalii College
53. Kenya Wildlife Service
54. Kenyatta International Conference Centre
55. Kenyatta University
56. Lake Victoria South Water Services Board
57. Local Authority Provident Fund
58. Maseno University
59. Moi University
60. National Bank Of Kenya

61. National Cereals and Produce Board
62. National Council For Law Reporting
63. National Environmental Management Authority
64. National Hospital Insurance Fund
65. National housing Corporation
66. National Irrigation Board
67. National Museums Of Kenya
68. National Oil Corporation Of Kenya
69. National Social Security Fund
70. National Co-ordinating Agency for Population and Development
71. NEW KCC
72. NGO's Co-ordination Bureau
73. Pest Control Products Board
74. Public Procurement Oversight Authority
75. Postal Corporation Of Kenya
76. Pyrethrum Board Of Kenya
77. Retirement Benefits Authority
78. South Nyanza sugar Company
79. Sports Stadia Management Board
80. Tea Board Of Kenya
81. Tea Research Foundation Of Kenya
82. Teachers Service Commission
83. Telkom Kenya
84. University Of Nairobi
85. University Of Nairobi Enterprises & Services Ltd

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