

**MANAGEMENT OF STRATEGIC CHANGE IN THE  
IMPLEMENTATION OF PERFORMANCE CONTRACTING IN  
THE MINISTRY OF AGRICULTURE WITHIN NAIROBI**


**BY  
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## DECLARATION

This research project is my original work and has not been presented for award of a degree or any other certificate in any other University or institution of higher learning.

Signed,  . . . . . Date.....<sup>cm</sup> |

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## **DEDICATION**

I dedicate this work to my daughters Faith and Winfred and son Kennedy for their love, support and patience throughout this project. It is my prayer that you attain greater excellence in your academic field because the sky is the limit.

## **ABSTRACT**

The research was designed to investigate the management of strategic change in the implementation of performance contracting in the Ministry of Agriculture, Nairobi. The study sought to achieve two objectives. The first objective was to identify the levers of change employed by the ministry of Agriculture in the implementation of performance contracting, while the second was to identify the challenges faced in the strategic change process. To achieve these objectives the study adopted a case study research design. It used primary data which was collected using interview guide administered on face to face to eleven key staff in the Ministry of Agriculture within Nairobi Province. These included; Provincial Monitoring and Evaluation officer, five District Agriculture officers and five Divisional Agriculture Extension officers. These are the officers in charge of implementation of the performance contracting at the Province. District and Divisional levels. The findings of the study showed that the Ministry of Agriculture has employed several change levers. This has enabled the institution to make impressive strides in the implementation of performance contracting. The levers facilitate the institution in embracing change required in the implementation of performance contracting. The major ones include; communication, sensitization training, motivation, regular meetings, and support by the leadership. These levers are employed at all levels in the Ministry. The study also established that the Ministry faced challenges in managing the change during the implementation of performance contracting. Key among those that the study established include; limited resources, delay of funds, lack of appropriate mindset, parochial self interest and in built culture of resistance among the staff. Generally it was observed that the Ministry of Agriculture has made tremendous efforts in the management of strategic change through the use of change levers in order to facilitate performance contracting. However better performance may be achieved through addressing the challenges faced in managing change.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Today, change is the single most important element for any successful business management. Most organizations are experiencing changes in what they do and how they do it over very short span of time. Organization's life is becoming more and more uncertain as the future becomes unpredictable. The future is full of surprises, uncertainty trends and trend breaks. It is therefore crucial that organizations' managers and decision makers are aware of and understand more about the environmental winds that are blowing to disturb the organizations' life. Understanding this will help them to analyze the factors which trigger the change and put in measures to manage the resultant change (Senior & Fleming, 2006).

Hill and Jones (2001) define change management as a move from current state to future state in order to increase competitiveness and points out that it can be addressed by; determining obstacles, determining need to change, implementing the change and evaluating the change. Hardy (1995) on his part views strategic change as actions, processes and decisions executed by organizations members to realize their strategic intentions.

According to Johnson and Scholes (2002), change management is a structured approach to shifting individuals, teams or even organizations from their current state to a future

desired state. It is an organizational process which is aimed at empowering employees to accept and embrace change in their current business environment. They point out that there is no one ideal way of managing change. Success of attempting to manage change depends on the wider context in which change is taking place. In small businesses with motivated teams, managing change will be different from big corporations such as an established public sector.

Open systems theory examines approaches to change with reference to the whole organization. Organizations are composed of interconnected subsystems and change in one will have an impact on the others. The result is change in the overall performance of the organization. The objective is to achieve the overall synergy, rather than optimize the performance of any individual in the organization (Burnes, 2004).

### **1.1.1 Strategic Change**

Strategic change is a deliberate process that leads to systematic realignment between a firm's strategic orientation and its environment. The aim is to improve the firms' performance and effectiveness. It involves a comprehensive plan for moving the organization from its current strategy to the desired future orientation (Cummings & Worley, 2009). Balogun and Hailey (2008) look at change as a breaking out from strategic inertia that may have accumulated from previous years of success and is embedded within the organizations culture. Capon (2008) says that it is the outcome of the impact between driving and restraining forces. Organizations should therefore seek to strengthen driving forces and overcome restraining forces.

Rowe, Mason, Dickel, Mann, and Mockler (1994) point out that there are two approaches that have been used for strategic change. The first involves working with people in the organization to achieve mutual understanding which is informal. The other involves making formal changes in the organization structure, culture or relationship. In order to have effective implementation of strategic change, they hold the view that both approaches should be used for the change to be appropriate and be accepted by all participants.

Success of strategic change also requires active participation of the Chief Executive Officer (C.E.O) and other senior executives in an organization. Although other members of the organization will play a vital role, there should be someone to champion the change. The person should have the vision, inspiration and be given the opportunity to move the organization to the desired direction (Rowe et al., 1994).

Senior executives and line managers play an active role in all phases of change process. These executives may lack talents, energy and commitment and may be replaced by outsiders who may be recruited to lead the change process. Externally recruited executives are three times more likely to initiate change than existing ones (Cummings & Worley, 2009). Carnall (2007) has the view that for learning and change to take place from top management, there should be positive attitude to change and open approach to developing changes, ideas and solving problems along the way. Planning, implementing and monitoring change more systematically allows the organization to consolidate the learning. In the absence of these there will be stagnation anxiety and resistance to change.

### **1.1.2 Performance Contracting**

Performance contracting system originated in France in late 1960. It went through stages of development and later was introduced in India (Kobia & Mohammed, 2006). Economic commission for Africa (ECA), (2004) identifies performance contracting as one of the new public management trends. Other public management trends include; Decentralized management applied in Uganda. Subsidiarity concept applied in Benin national research, Cost recovery applied in Zaire and Senegal, Commercialization applied in Ethiopian airlines among others. It originated from the perception that the performance of the public sector had been falling consistently below public expectations. The fundamental principal of performance contracting is devolved style of management whereby emphasis is on management by outcomes rather than by processes (Kobia & Mohammed, 2006).

Mann (1995) defines performance contract as a negotiated agreements between the government as owners of public enterprises and the management of the enterprise itself. It involves the financial and the physical indicators which are used to measure performance and sometimes establishes a "carrot and stick" bonus and penalty system applicable to management. Trivedi (1992) looks at performance contracting as 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 the incentives. According to Martin (2000) performance contracting focuses on output and outcome of services provision and may tie the contractor payment and contractor extension to their achievement.

Performance contracting is a freely negotiated performance agreement between government which acts as the owner of an agency, and the management of the agency. It determines what should be done, by who, when and how to go about doing it (Ndubai, 2008). It helps to clarify objectives of the agency and their relationship with the government. It enables evaluation to be based on results instead of on conformity with bureaucratic rules and regulations (Economic Commission of Africa, E.C.A, 2004).

### **1.1.3 Ministry of Agriculture**

The public service is made up of the line ministries and other public institutions that we have in the country. The Ministry of Agriculture is one of the line ministries. The role of the public service is to provide services that are key for the growth of the economy. Ineffective and inefficient service delivery affects quality of life of the people and the country's development process (Ministry of Agriculture, MoA, 2008).

Service delivery to the public has faced various challenges such as gradual erosion of the ethics and accountability. This has called upon the government to institute three phases of public sector reforms. The first two did not yield much and it was seen necessary to institute the third phase which was guided by the Economic strategy for Employment and wealth creation (ERS) 2003-2007. ERS adopted performance contracting in order to improve service delivery to Kenyans and achieve effectiveness while reducing cost (MoA, 2008).

The mandate of the Ministry of Agriculture is to promote and guide sustainable development of agriculture and agro-based production systems in the country. The primary objective is to provide a policy and institutional environment that is conducive to increasing agricultural productivity, promoting investment and encouraging productivity, promoting investment and encouraging private sector involvement in agricultural enterprises and agribusiness. As a public institution it achieves its mandate through the following technical areas namely; Agribusiness and Marketing, Crop management, Extension and Training, Agriculture engineering and Policy and External relations (MoA, 2008).

Agriculture is a key sector in our country's economy. It contributes 26% of the GDP and 60% of the export earnings. In vision 2030 which is anchored on three pillars, it is identified as a key actor in the economic pillar amongst six other sectors. This explains why economic recovery strategy for wealth and employment creation (2003) recognized agriculture as a leading productive sector for economic recovery (Agriculture Sector Development Strategy. ASDS. 2010).

The Ministry of Agriculture is represented in all the eight provinces in the country. Below the Provinces, are District and Division offices. All the levels have qualified technical officers who provide technical services to the farming community. Nairobi province which is the focus of the study, is not an exception. It is headed by Provincial Director Agriculture and has nine Districts. All the Districts are headed by District Agriculture Officers, below which are officers in the Divisions and locations. The

functions of the Ministry are carried out at all levels. These levels also represent main points where the farmers interact with the Ministry as well as policy implementation stages. Performance contracting is cascaded and implemented at all the various levels.

The Ministry of Agriculture plays a major role in delivery of other regional and global commitments. Such include achievement of 1 Millennium Development goal (MDG1) on poverty and hunger. The MDG1 aims at reduction by half the population faced by poverty and hunger by 2015 (MoA, 2008).

The introduction of the performance contracting in the Ministry of Agriculture was geared to raise the level of the deteriorating service delivery which was cutting across all the public sector. It involved setting targets for various functions carried out by the public agency with the aim of holding the institution more accountable for performance (Gok, 2010). Performance contracting involved a shift in paradigm. It meant change in the employees' attitude, way of working and the underlying culture. It required putting in place various change management tools which would enable the new paradigm bear fruit (Johnson, Scholes & Whittington, 2008).

## **1.2 Problem Statement**

Public institutions, like other organizations need to keep on re-defining themselves in order to fit in the changing external environment. Ansoff and McDonnel (1990) point out that organizations are in constant interaction with the environment. The environment is dynamic and therefore they have to change accordingly. Failure to fit themselves to the

environment may render them irrelevant and unresponsive to their clientele. As cited in Economic Commission of Africa (2004), Hope (2002) states that performance contracting is meant to reform public institutions so that they can be relevant to their clientele. The introduction of Performance contracting in public service management implies change in the longstanding mindset or the taken for granted assumptions of the way things are done. It involves specifying standards of performance which the government requires public institutions to meet over stated period of time. There is therefore need to put in place people responsible for managing change and to challenge the existing paradigm. According to Johnson and Scholes (2002), managing strategic change should address the influence of the paradigm and the cultural web on the strategy being followed by the organization as it aligns itself to the environment.

In Kenya, in an effort to roll up Public Sector Reforms (PSRs), the government developed and launched strategy for Performance improvement in the Public sector in 2001. The strategy was to use Result Based Management (RBM) approach. The concern of the RBM was on both institutional as well as individual performance. RBM had four key elements namely; Performance target setting, Performance planning, Performance monitoring and reporting and Performance appraisal (Kobia & Mohammed, 2006). RBM use Performance contracting as a tool to ensure that the set targets are achieved. It is derived from the work plans. The Ministry of Agriculture in line with the PSRs has been implementing the performance contracting. It was among the first 35 Ministries which signed the performance contract in financial year 2005/2006. The Ministry has been implementing performance contract since then. Its performance has been impressive and



in 2006/2007 financial year it was the best Ministry in performance ranking (MoA, 2005; Obongo, 2009).

Various research studies in Kenya and other countries have been carried out in performance contracting in the public sector. Korir (2006) wrote on the impact of performance contracting in state corporations specifically East African Portland cement. Kiraithe (2008) carried out a research on the impact of performance contracting on performance of companies in the energy sector. Kerretts (2008) looked at factors considered important in implementation of performance contract in Kenyan Parastatals. Grapinet (1999) looked at public sector performance contracting in France. A case study of performance contracting on management of local Services of the Directorate General for Taxes. Lentoijoni (2010) Studied on Implementation of performance contracting strategy at the Teachers service commission. Njiru (2007), focused on management of strategic change in implementation of performance contract among states corporations in Kenya. The study carried out by Njiru focused on state corporations. State corporations have different organization structure from line Ministries. The Managing Director (MD) or the Chief Executive officer (CEO) normally reports to a Board of Directors whose members are appointed by the Minister in charge of the respective Ministry. The researcher used a survey methodology. This study was carried out on the Ministry of Agriculture, Nairobi Province and sought to answer the following question: What is the nature of change management employed in the Ministry of Agriculture in the implementation of performance contracting?

### **1.3 Objectives of the Study**

The objectives of the study are:

- i. Determine the levers employed to facilitate the change process during the implementation of performance contracting in the Ministry of Agriculture.
- ii. Establish the challenges faced by the Ministry of Agriculture during the strategic change process.

### **1.4 Value of the Study**

The results of the study will be important to the academicians and practitioners both in private and public sector by contributing to the existing body of knowledge in the area of strategic management and in particular management of strategic Change. Academicians can use the findings for further research. In particular the practices that will contribute to successful strategic change management in public service and especially the line ministries. Practitioners may apply lessons learned in implementing strategic change.

The study will be of importance to government agencies both in the Ministry of Agriculture and other line Ministries whose interest is to improve service delivery to the citizens and creation of investor confidence. It will guide policy makers and other stakeholders in the Agriculture sector.

The study will assist the Ministry of Agriculture in improving change management in its future programmes. The Ministry will be able to identify the most appropriate and



suitable change management practices needed to successfully manage change to ensure better service delivery.

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## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Organizational Change

Change can be defined as a transition from one state to another. It is the only constant in today's life for both individuals and organizations. Some changes can be reversible while others are not hence the importance to manage change. Change in organizations can be strategic or operational. According to Flamholtz and Randle (2008) the need for change in organizations is inevitable regardless of how strong and successful an organization has been. Change has become the primary role of strategist in organizations. This has been widely accepted by theory and practice of strategic management (Adcroft, Wills & Hurst, 2008). Change can be continuous and incremental. It may also be rapid and discontinuous with abrupt shift from patterns of the past. Change can also be planned and emergent. The scale may range from fine tuning through incremental and modular adjustment to wide scale corporate transformation. According to research, between 50 and 70 percent change efforts in organizations fail either partly or fully. Undertaking change in any organization is therefore worrying for the managers and hence the need to get the right expertise to undertake change successfully (Smith, 2010).

Burnes (2004) points out that change management stands out on three schools of thought; first is the individual perspective school. Those who advocate this school of thought are divided into two camps; Behaviorists and Psychologists. Behaviorists theory assumes that all behaviour is learned. An individual is a passive recipient of external stimuli. Human

actions are therefore conditioned by expected consequences and behaviour is rewarded to be repeated. Psychologists argue that behaviour is a product of the environment and reason. Group dynamic school is the second. It focuses organization change through teams and work groups. It argues that individual behaviour is changed in light of groups' prevailing norms and practices. Third is the open systems theory. This has the organization as the primary point of reference. It assumes that organizations are composed of interconnected subsystems. This implies that change in one subsystem has an impact on the other subsystems of the organization.

## **2.2 Strategic Change Management**

Strategic change involves fundamental changes in the organizations business. Its focus is effectiveness in the organization. In order for organizations to succeed, they need to have ability to adapt to and manage different types of change. Change in the external or internal environmental conditions demands organizations to respond appropriately. Different organizations have different abilities of adopting change. Some successfully reinvent themselves while others perish (Flamholtz & Randle, 2008).

According to Johnson, Scholes and Whittington (2006), Managers need to choose different approaches of managing change according on the circumstances they face and also create organizational context that will facilitate change. There is also need to translate strategic change into detailed resource plans, key tasks and how the organization is managed through control processes. Success is also determined by how the change is communicated through the day- today aspect of the organization.

Change has become a way of life in many organizations. The cause for such change can be attributed to the need for organizations to re-position themselves in the face of changing competition, culture change, business process engineering, empowerment and total quality management. Strategic change is long term in nature. It requires development of clear plans. Barriers to change need to be identified and appropriate interventions instituted. It not only involves changes in the organizational structures and systems, it also involves people in the organization (Balogun & Hailcy, 2008). According to Johnson and Scholes (2002) strategic change in an organization is the extent to which people change their beliefs and assumptions that hold their behaviour in the organization.

### **2.3 Forces of Change in Organizations**

Organizations that are experiencing change have to deal with forces both driving and restraining change. The forces restraining change stem from the individuals and the organization as a whole. They resist change and can prevent new plans to be developed and also implementation of such plans (Capon. 2008). The forces that drive change, though some arise within the organization, emanate mainly from the dynamic and changing environment. The environmental forces require them to adapt to these changes. The workforce is changing and the organizations have to adjust to a multicultural environment. Companies are faced by challenges of upgrading the skills of the employees. Technological changes are also posing great challenges. New ways of doing things are evolving everyday. Managers in organizations can no longer predict tomorrow with certainty. Development of a global economy means that competitors are likely to come from across the ocean as from across the town. This has resulted to heightened competition. Successful organizations are those that will change in response to the

competition. Changes in social trends have also affected the organizations. Consumers' behaviours have changed drastically. Organizations have to design products and services for the current consumer. Changes in the world politics have also contributed to changes in organizations (Robbins & Judge, 2007). Public institutions have also had their own share. Structural adjustments initiated in the mid 1980s with the support and leadership of the Bretton woods institutions introduced a new public administration paradigm and microfinance policy framework in many African countries (ECA, 2004). Success in an organization may also prompt change (Flamholtz & Randle, 2008)

### 2.3.1 Paths of Change

Change in organizations can be classified by the speed with which change is to be achieved and the extent of the change required. Using the two, there are four types of change namely; Evolution, Revolution, Adaptation and Reconstruction (Balogun & Hailey, 2008).

**Table 1: Types of Change**

		Extend of Change	
		Transformation	Realignment
Speed of Change	Incremental	Evolution	Adaptation
	Big Bang	Revolution	Reconstruction

Source: Balogan, J. and Hailey, V. H., (2008). Exploring Strategic Change. 3<sup>rd</sup> Edition. Prentice Education Limited, England.

Evolution is transformational change that is implemented gradually through initiatives that are related. It can also be a proactive change that is undertaken in anticipation of

need for future change. The second type is the revolution. This is a transformational change that occurs simultaneously on several fronts. It can be forced and reactive to changing competitive conditions that the organization may be facing. Adaptive is the third type of change. It is change undertaken by an organization to align itself to the way it operates. It is implemented in a series of steps. Reconstruction is the fourth type. It is similar to adaptive but is done on several fronts simultaneously. It is often forced and reactive to changing competitive context.

### **2.3.2 Change Kaleidoscope**

Change should be context specific. Change kaleidoscope is a diagnostic framework that aid in putting context -sensitivity in to a change design. It enables change agents pinpoint key contextual features of their change context, come up with change design choices and also options within each choice. It has an outer ring. This represents the broader strategic analysis that is done to determine why an organization should change and what it should change to. The middle ring contains features of the change context. These should be considered by the change agent in choosing the change approach to use. They assist the change agent determine the appropriateness of any approach according to the context. The inner ring contains the range of options the change agents needs to choose from when selecting a change approach. (Balogun & Hailey, 2008).

### **2.4 Change Management Styles**

There are various styles for managing change. They range in a continuum from coercion where force is used to education and delegation where change is delegated (Balogun & Hailey, 2008). Education and delegation style is used where the management has to



explain the reasons and means for strategic change to win the support of all the employees required to implement change in the organization. According to Bowman and Asch (1987) education and communication strategy make the people understand the rationale and accept the change. It helps to reduce resistance where such may be caused by inadequate information.

Collaboration and participation change management style helps to increase commitment by those who will be affected by the change process. They are involved in identifying the change issues, setting the strategic agenda, making the strategic decisions, and planning of the strategic change. This will help achieve better quality decisions. The change agent delegates some tasks to teams and groups but retains control of the change process. Idea generation, data collection and detailed planning could be delegated to various task forces. This is important since it involves members of the organization in idea generation and implementation of the strategic change (Johnson, et al., 2008).

Direction and coercion are usually used in top down management of strategic change. They are developed by someone recognized as a leader in the organization who should have a clear vision and strategic intent. Coercion is where change is imposed. It involves use of power and is necessary where an organization is facing a crisis or where transformational change is required (Balogun & Hailey, 2008). The styles are not mutually exclusive. Bowman and Asch (1987) point out that it is appropriate to use two or more simultaneously.

## **2.5 Models of Change**

There are a number of proposed models of strategic change management. Which have been proposed by major theorist and practitioners for strategic change management. Some of the models are derived from organizational development perspective while others are based on individual behavioral models. The models attempt to describe the process through which organizations successfully alter their business practices, their organizational culture or their organizational climate.

### **2.5.1 Bullock and Batten Four stage model**

Bullock and Batten (1985) looked at more than 30 models of planned change management and came up with a four phase model. Their model can be applied to almost any circumstance. It distinguishes between phases and process of change. The first stage is exploration phase which involves exploring and deciding the need for change. Planning phase is the second stage. Here, activities and support to enable the change to be undertaken are identified.

Changes are identified, agreed and implemented in the action phase. Monitoring, evaluation and communication of the results are also carried out in this phase. Where necessary, refinement and adjustment is done. Integration phase is the last stage in the model. It involves embedment and stabilizing of the change. This is achieved through communicating the outcomes from the change throughout the organization and continuous development of the employees through training.

### **2.5.2 Lewin's Three Step Model**

Lewin three step model is based on the concept of forcefield analysis. Forcefield analysis looks at the driving and the resisting forces in a change process. In order for change to occur, the driving forces must outweigh the resisting forces. Managers must therefore advocate change strongly in order to overcome the resisting forces (Johnson, et al., 2008).

Unfreezing is the first step in Lewin's model. This involves destabilizing human behaviour that is supported by driving and restraining forces. It is done before old behaviour is discarded so that new behaviour can be successfully adopted. Change is the second step in the model and entails providing a new alternative pattern of behaviour that is clear and appealing to the people. Refreezing is the last step. It involves reinforcement of behaviour required both formally and informally in the organization for change to be long lasting. Refreezing brings in a new quasi-stationary equilibrium. The model does not explicitly state that introducing change results to change being adopted. However if an attempt to introduce change fails, it may be due to a problem in one steps of the model (Burnes, 2004).

### **2.5.3 Doppelt's Wheel of Change Model**

According to Smith (2010), Doppelt (2003) provides a new approach to understanding and implementing organizational change. The analysis for organizational change is drawn from public sector organizations. The model has seven steps and views the process of change as being a wheel. Interventions may be made at any point within the wheel provided all steps are carried through.

Disrupt and change the dominant mindset and establish a compelling need for achieving change is the first step. This is followed by rearranging the parts of the system to remove constraints that may be imposed by dominant cultural paradigms. The goals of the system are then altered and new strategies adopted. The other step is to communicate the vision, strategies and actions. This helps the staff and other stakeholders to understand and participate in achieving change. The feedback loops are then corrected and learning and innovation encouraged. The last step is to adjust and align the parameters of the system with new organizational goals.

#### **2.5.4 Kotter model of Change**

Kotter (1995) points out eight steps to be followed when implementing change. The eight steps are to be followed one after the other unlike in the Doppelt model. Kotter holds the view that change process is a long term process, which builds on itself and skipping any stage will slow the process or even derail it. Establishing a sense of urgency is the first step. This should be followed by forming a powerful guiding coalition. The creation of the vision of the organization future should be the next step in the model.

The vision should be communicated from the leadership level down to all levels of the organizations. This should also include empowering the organizations members to act on the vision and planning for short term wins. The improvements should then be consolidated as the organization produces more change. The new approach should finally be institutionalized within the organization.

**Table 2: Kotter Eight Steps to Transforming Organization**

Establish a sense of urgency	1
<b>1</b>	
<b>Forming a powerful guiding coalition</b>	2
<b>1</b>	
<b>Creating a vision</b>	3
I	
Communicating the vision	4
I	
Empowering others to Act on the vision	5
<b>1</b>	
Planning for and creating short-term wins	6
I	
<b>Consolidating Improvement and producing still more changes</b>	7
<b>1</b>	
Institutionalizing new approaches	8

Source: Kotter (1995) Leading change. Why transformation efforts fail. Harvard Business Review Match- April 1995.

## **2.6 Resistance to Change**

Managing change is far more difficult than it may appear initially. Major strategic reorientation does not occur frequently. When such change occurs, it involves moving from familiar territory to a less familiar future where the old roles and regulations may not apply. People often have to leave roots of their past successes and entirely develop

new skills and attitudes. The result may be strategic alignment which may take a variety of forms. It may be a shift from strategic position within the same industry to a whole new perspective in a new industry. Some changes may require rapid transitions from one structural configuration to another; others may be accompanied by slower structural change. This is often a frightening situation and hence the cause for resistance. (Mintzberg & Quinn.1991).

Resistance to change is a multifaceted phenomenon. It introduces delays, additional costs and instabilities into the change process. It may take the form of procrastination, unforeseen implementation delays and inefficiencies or even sabotage the change process. According to Kotter and Schlesinger (1979) there are various reasons why people resist change. Parochial self interest is one of them. People are concerned by the implication of change to themselves since it may affect their own interest. Misunderstanding may also lead to resistance and arises where there is inadequate information being provided to the people. It results to lack of trust of those in authority. Low tolerance to change is another reason. Employees may worry that change may threaten the security of their job. They may fear of not being able to develop the new skills and behaviors required. There may also be fear of losing established social working groups. Different assessment of the situation may also arise with some employees disagreeing on the reasons for change while others may see more cost than benefits.

## **2.7 Performance Contracting**

Performance contracting definition has remained a subject of debate among scholars. It is a branch of management science referred to as management control systems. Performance contract is a freely negotiated performance agreement between government, organization or individuals and the agency itself on the other hand. (Gok, 2006).

Kumar (1994) defines performance contract as memorandum of understanding. Ketelaar, Manning and Turkisch (2007) refer to it as an arrangement in which the performance achievement are purchased from a supplier under something approaching commercial contract terms, with the implication that failure to deliver would result in alternative supplier being sought or other penalties imposed. Kobia and Mohamed (2006) see performance contracting 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.

### **2.7.1 Types of Performance Contracts**

Performance contracts were first implemented in France in the early 1970s. The concept began to be used in francophone Africa in the 1980s (Mann. 1995). There are basically two systems/ types of performance contract; French based system and signaling system (Trivedi, 1992).

French system does not allocate weights to targets. This type is practiced in France, the United Kingdom, Benin, Ivory Coast, Senegal and China. The signaling system has weights allocated on the targets and an index of performance calculated. The

management of the public institute is guided, and aims at improving performance. There is also a reward or incentive for better performance. This system is practiced in Gambia, Bolivia, India, Philippines, Pakistan and Korea (Mann, 1995; Trivedi, 1992).

There are a number of research studies that have been carried out on performance contracting in the public sector both in Kenya and other countries. Kerrets (2008) examined the factors considered important in the implementation of performance contracting. The researcher sought to determine the factors considered important in implementing performance contracts in public sector in Kenya. The study found out that there was need for Kenyan state corporations to pay more attention to strategy implementation as it affects the organization structure and culture and the way employee adapt to new environment.

Korrir (2006) studied the impact of performance contracting in East African Portland Cement Company limited. The study sought to assess the impact of performance contract on firms operations and financial performance. The researcher found out that performance contracting in state owned enterprises is positively and significantly related to firm profitability and operational efficiencies.

Grapinet (1999) studied performance contracting in France through a case study of performance contracting and management of local services of the Directorate General for Taxes. The researcher found out that performance contracting put pressure on the entire



service sector to improve performance. It makes staff to be held more accountable for performance and leads to initiatives that are more pragmatic, concrete and operational.

The study will address the gap in knowledge that exist in management of strategic change in the implementation of performance contracting in line Ministries specifically Ministry of Agriculture. Njiru (2007) looked at management of strategic change in the implementation of performance contract among state corporations in Kenya. The researcher sought to establish change management experience among state corporations in Kenya and also determined the challenges faced in managing change. Johnson, Scholes and Whittington (2008) point out that managing change in a big established public sector organization with set routines and formal structures is different from small organizations which may have motivated teams driving change. The studies done by Korrir (2006); Kerretts (2008); and Grapinet (1999) addressed different conceptual framework and context. This study looked into the nature of change management employed during implementation of performance contracting in the Ministry of Agriculture through a case study of Nairobi Province.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The study was conducted using a case study research design. The aim was to establish the nature of change management practices employed in the Ministry of Agriculture in the implementation of performance contract and the challenges faced during the strategic change. This design allows in-depth exploration of a phenomenon. It allows detailed and intense analysis of a situation which is not possible with other methods. Case study allows the researcher to obtain the inside facts from the experienced employees. According to Kaplan (1964) a single, well designed case study can provide a major challenge to a theory and provide a source for new hypothesis.

#### **3.2 Data Collection Method**

The study used primary data that was collected through an interview guide. The interview guide used open-ended questions. This was to enable the researcher to collect qualitative data. Interview guide enable the researcher to obtain up to date information as well as bring-up information that could otherwise not been obtained through other data collection techniques. It was also preferred over other methods of data collection because of their capability to extract information from the respondents as well as give the researcher a better understanding and more insightful interpretation of the results from the study. The interview guide was administered to Provincial Monitoring and Evaluation officer, five District Agriculture officers and five Divisional Agriculture Extension officers. The total

number of respondents was eleven. These are the officers in charge of implementation of the performance contracting at the Province, District and Divisional levels.

### **3.3 Data Analysis**

The completed interviews responses were edited for completeness and consistency after which data processing started. This involved thorough reading, editing, cleaning up of the interview notes and entry into the computer. Content analysis was used for data analysis. Coopers and Schindler. (2003) describes content analysis as a technique for objective, systematic, and qualitative description of the manifest content of a communication. The breadth of the content makes it flexible and wide ranging tool that may be used as a methodology or as a specific technique. It guards against selective perception of content, provides for the rigorous application of reliability and validity criteria and is amenable to computerization. It was used to make inferences by systematically and objectively identifying specific themes from the data, representing management of strategic change practices in the Ministry of Agriculture. This was done at the three levels of respondents. This technique has been used successfully by other researchers such as Muriuki, (2005); Khamisi, (2006) and Wambutura. (2010).

## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the data collected in order to achieve the objectives of the study. The data was gathered through an interview guide and analyzed using content analysis. The data findings were to assist the researcher identify the levers employed and the challenges faced during the implementation of performance contracting in the Ministry of Agriculture within Nairobi. The chapter presents the findings on the levers of change employed by the Ministry of Agriculture in the implementation of performance contracting. It contains the challenges faced during the process and also covers a section on discussions based on the objectives and the key findings of the study

#### **4.2 Performance Contracting in the Ministry of Agriculture**

According to the findings performance contracting was introduced in the Ministry of Agriculture in the financial year 2005/2006. It received a lot of support from the then permanent secretary in the Ministry who established a secretariat to oversee its implementation and cascading to all levels in the Ministry. The secretariat was composed of representatives of all the departments in the headquarters. At the Province, District and Division levels, key people were given the mandate to oversee the implementation. In Nairobi Province, which is the focus of the study, the Provincial Monitoring and Evaluation officer is charged with overseeing the dissemination of information from the

headquarters to the lower levels. At the District and Divisional levels, the officers in charge are held responsible in overseeing the implementation of the performance contracting and mobilizing all others officers in making sure that all activities are in line with the performance contracting.

The targets of the performance contract are derived from the annual work plan which is extracted from the strategic plan. The preparation of the work plan is done in November every year, long before the beginning of the financial year which starts in June of the following year as indicated by the findings. There is therefore enough time to prepare a performance contract which is in conformity with the work plan in terms of the activities covered.

The study established that negotiation of the targets is done during the first meeting which is convened by the Provincial Director of Agriculture, Nairobi early in the financial year in the month of July. This activity is important since it is during this meeting that capabilities and competencies of the various Districts are evaluated to form the basis of the negotiation. The target clients of the various Districts in the Province are also considered during negotiation. Those implementing more programmes and therefore have more resources are allocated higher targets in terms of farmers to reach as compared to those with less programmes and hence less recourses. It was also discovered that although most targets are subject to negotiation, some are passed down from the headquarters to the Provinces, Districts and the Divisional levels. It is therefore upon the

officers at these levels to come up with innovative ways to oversee the implementation of such targets.

### **4.3 Performance Contracting and Nature of Change at the Ministry of Agriculture**

According to the respondents, before the introduction of performance contracting in the ministry of Agriculture emphasis was on processes. After the introduction of result based management and hence performance contracting, there was a shift from emphasis being placed on processes to the outcome. This change in management did not bring in major changes in the structure and the running of the institution. However it involved the creation of a secretariat which was charged with overseeing implementation of performance contracting. The targets of the performance contract are drawn from the work plans which were in existence before the introduction of performance contracts. The main change pointed out by the respondents was that with the performance contracts, they were required to be more accountable on their activities since their performance was evaluated at the end of the year. It therefore meant that resources could only be used for the activities they were budgeted for. The targets set for various categories in the performance contract were expected to grow every year, this point to the element of incremental change. It was revealed that the Ministry of Agriculture used various change levers in order to achieve a smooth transition from process to outcome based management. These levers were to facilitate change at the various levels in the Ministry.

### **4.3.1 Communication**

The respondent at the Provincial level reported that the Ministry of Agriculture has developed good communication structure from the headquarters to all the field officers. The communication is mainly through officers charged with overseeing the implementation at the various levels. At the headquarters all issues to do with performance contracting are handled by the secretariat. This in turn forwards to the Province, where the Provincial Monitoring and Evaluation officer communicates any issue to the Districts, and finally to the Divisions. It has also made feedback process from the Districts and the Divisions more efficient.

The respondents at the District levels also highlighted that good communication structure has greatly contributed to the implementation of performance contracting. They argued that the creation of a secretariat at the headquarters and the deployment of an officer charged with overseeing the implementation of performance contracting at the Province have contributed to the smooth implementation. However although the respondents at the Divisional level pointed that there has been good communication structure put in place, they said that there is still more that need to be done to enable the institution reap more benefits. Some of the suggested interventions include equipping their offices with communication devices such as mobile handsets.

### **4.3.2 Sensitization Trainings workshops and Seminars**

The study established that the roll-up of the performance contracting to all the levels of the Ministry was followed by sensitization trainings, workshops and seminars of all the staff in the Ministry. The respondents at the Province, District and the Divisional level

said that all offices were sensitized on the new approach and this has made it easy to implement the performance contract targets. The respondent at the Province reported that trainings for the Provincial staff were organized by the secretariat located at the headquarters. The study also revealed that training of staff at the other levels was also organized by the secretariat but with the assistance of the already trained Provincial staff. These training helped to array fears among the staff of not being able to develop skills and behaviours required.

### **4.3.3 Regular Meetings**

According to the study findings regular staff meetings for performance contract activities were reported by the respondents at all the levels as shown on appendix III attached. At the Provincial level, the meetings are held on quarterly basis. The meetings involve all the District head and the Provincial officers and chaired by the Provincial Director of Agriculture, Nairobi Province. The Provincial Monitoring and Evaluation officer, who was one of the respondent reported that meetings are used as forums to discuss challenges faced in the implementation of the performance contracts and designing mitigation measures of such challenges. These meetings also acted as forums for monitoring and evaluation. They therefore assisted in keeping the implementation on track.

The respondents at the District level reported that they hold their meetings on monthly basis. Those who attend the meetings are officers at the District office and the Divisional Extension Agriculture officers. According to the respondents the meetings deliberate on achievements by the individual officers. This is because performance contract targets are linked to staff individual work plans. The study established that all staffs in the Ministry



are required to submit to the headquarters individual performance on quarterly basis. The linkage of the individual work plan and the performance contract has also facilitated the implementation of the performance contract and hence the strategic change process. The respondents at the Divisional level also reported of regular staff meetings which are held on monthly basis and those who attend are officers at the Divisional level. They reported that their meetings also deal with individual performance of the staff.

#### **4.3.4 Participatory Evaluation**

The study established that the Ministry carries out participatory evaluation at the beginning of every financial year. The respondents reported that the Provinces and the Districts are allowed to carry out self evaluation and the results together with the evidence sent to the headquarters. It was found out that the performance targets for the Province is an accumulation of all the targets from individual Districts. This therefore implied that during evaluation all the Districts send copies of their achievement to the Province and another copy to the headquarters. The study established that there is a prepared format as shown in appendix IV that all the Districts and the Province use for self evaluation. This was reported by respondents at the Districts and the Province. The performance contracting secretariat goes through the self evaluation forms and areas of weaknesses highlighted and communicated back to the field stations. This helps in consolidating improvement since no stations would like to report lower results than previously achieved.

#### **4.3.5 Motivation**

Respondents at all the three levels reported that motivation has facilitated the change process during implementation of performance contracting. Those at the Province and the Districts said that staffs who register good individual performance are given rewards such as opportunities to further their studies. This however was not highlighted as facilitating change by those at the Divisional level. They said that though they were aware of such opportunities, few if any benefit at their level. All the respondents said that individual work plans are linked to the institutions performance contract. Therefore good individual performance assists in meeting the targets.

The study revealed that top performance nationally in performance contracting also attracts incentives to Ministries. This was reported by the respondents at all the three levels. They said that the Ministry of Agriculture staffs were given salary top up after attaining second position nationally in performance contracting in the financial year 2008/2009. They said that staffs were motivated and there was change in attitude and better performance.

#### **4.3.6 Support from Leadership**

The study discovered that during the implementation of the performance contracting there has been a lot of support from the leadership at the various levels in the Ministry of Agriculture. The support from leadership was reported by all the respondents. They said that Provincial Director of Agriculture, District Agriculture officers and Divisional Agriculture Extension officers give performance contracting activities first priority. The respondents said that the heads at the various levels oversee writing and submission of

quarterly reports for the purpose of monitoring and evaluation. They added that the support has resulted to the smooth implementation of performance contracts.

#### **4.4 Challenges Faced During the Change Process**

The researcher sought responses from the interviewees on challenges faced by the Ministry of Agriculture during the strategic change process. It was discovered that the implementation of the performance contracting in the Ministry of Agriculture has not been without challenges. These challenges are due to systemic as well as behavioural resistance. Systemic resistance includes; limited resources for effective change, delay in the release of funds, deep seated organizational culture that is resistant to change. While behavioural resistance is due to lack of appropriate mindset.

The respondents at all the three levels reported that the Ministry of Agriculture carries out activity based budgeting. The funds are released in quarters and in some cases, these funds are not enough for all the activities in the performance contract. They said that in some instances there is delayed funding. This creates a backlog of activities which must be carried out before the end of the financial year since performance contract is an annual activity. The respondents said that this hampers the change process and there is no smooth transition into the new way of doing things. Performance contracting involves change in the way employee carry out their day to-day activities. It involves change in the longstanding mindset or assumptions of the way things are done. This transition has not been easy in the Ministry of Agriculture according to the findings. Most staff, as revealed in the study preferred their old ways of doing things and this has resulted to resistance.

The respondents revealed that there are activity targets that are developed from the headquarters and passed on to the lower levels. These activities lack clear targets and pose a challenge during implementation as reported by the respondents. They said that in such activities, the implementers have no control over and may also not understand the activities required to implement such targets. Other such activities may require funds which are out of reach by the implementers. These issues as reported by the respondents pose challenges for the implementers of the change process since they form the basis for resistance.

The respondents at the Divisional level reported that they face technical limitations where officers may not have the relevant technical skills to meet some of the requirements of the performance contract. They attributed this to shortage of staff which leads to one employee covering more than one field. The employee ends up being overwhelmed and may not meet performance contract targets hence hampering the change process.

#### **4.5 Discussion**

The first objective of the study was to establish change levers employed by the Ministry of Agriculture in the implementation of performance contracting. It was expected that the Ministry may have incorporated a range of various subsystems of change levers as outlined by Balogun and Hailey (2008) to facilitate the change process. However according to the findings, most of the levers employed were interpersonal. These are those involving communication, training and education. They are appropriate since the Ministry is a public institution with a lot of rigidity and use of other levers may not have succeeded due to the bureaucratic nature of public institutions. This is in line with what

Johnson, Scholes and Whittington (2008) propose. They argue that change agent need to consider which of the levers to emphasize on according to the change context. The main focus of the institution was to change the performance. It therefore focused on use of targets, rewards and putting in place performance measures. This is supported by Balogun and Hailey (2008) who state that an appropriate intervention when changing outcomes can be changing rewards, performance measures and targets.

The introduction of performance contract in the Ministry of Agriculture did not bring in sudden transformational change. There was no introduction of new activities in the institution. It was more of realignment of the existing activities with the performance contract. There was no fundamental change in the strategic direction. The nature of change in the Ministry of Agriculture is however incremental. This is in line with Johnson, Scholes and Whittington (2006) who point out that it is beneficial for the nature of change in organizations to be incremental since it helps to build on skills, routines and beliefs of those in organizations. This makes change to be efficient and likely to win commitment of those in organizations.

The second objective of the Study was to establish the challenges faced in the Ministry of Agriculture during the strategic change process. It was found out that there were several challenges faced by the institution during the change process. The challenges were due to both systemic and behavioural resistance. This was expected since the Ministry of Agriculture is a large institution with inbuilt routines and culture which is bound to resist change. This means that the employees have set ways of carrying out their activities and

any change is likely to be faced by some resistance. This is supported by Johnson and Scholes (1999) who argue that long standing organizational routines may delay or hinder change process. The Ministry of Agriculture being a public institution does not work in isolation. It is affected by various policies that govern the public service. It does not have absolute control of funds since there is a separate Ministry mandated with funds disbursement for the entire civil service. Therefore disbursement of funds to the spending station depends on factors beyond the control of the institution. Employment of the technical staff is also done by another Ministry. The reliance on external factors is therefore bound to hamper the execution of the change process.

The implementation of performance contracting in the Ministry of Agriculture however has been on tract though there are challenges. This can be attributed to the change levers and the nature of change employed. Study of other public institutions show similar findings. The one by Njiru (2007), who looked at management of strategic change in the implementation of performance contracts among state corporations in Kenya found out that most of the corporations had made impressive strides in terms of incorporating change initiatives in implementation of performance contracting. However the corporations faced both behavioral and systemic resistance in the implementation. Study by Lentoijoni (2010) on implementation practices of performance contracting at the Teachers Service Commission and the challenges faced during the implementation also revealed that the institution was on tract on implementation of performance contracting but there were challenges faced by the institution.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter presents the summary' of key data findings of the study, the conclusion from the findings and recommendations drawn. It provides direction for further research in the quest of addressing the research question and the research objective; the identification of levers employed to facilitate change process during the implementation of performance contracting and the challenges faced in the Ministry of Agriculture.

#### **5.2 Summary**

The introduction of performance contracting in the public sector was aimed at improving efficiency and effectiveness in service delivery. It was a paradigm shift and implied change in the longstanding mindset of the way things are done. Changing the employee behaviour and introducing new ways of doing things involved careful selection of change levers. This study sought to determine the change levers employed by the Ministry of Agriculture in an effort to implement the performance contracting. It established that the institution had to use various change levers to facilitate the change process. These levers include; communication, sensitization training, motivation, regular meetings, linking individual work plans to the targets, participatory evaluation, and support by the leadership. The levers were reported by the respondents at the Province. District and Divisional levels. However at the Divisions, no formal evaluation is carried out at that level. These levers have enabled the Ministry of Agriculture make impressive strides in

the strategic change process. They have made most of the staff embrace change brought about by performance contracting.

The other objective of the study was to establish the challenges faced in the Ministry of Agriculture during the strategic change process. It discovered that the institution faced some challenges during the strategic change process. These challenges curtail effective change management for successful implementation of performance contract. These challenges include; limited resources, delay of funds, lack of appropriate mindset, in build culture of resistance and technical limitations. These challenges were reported at the Province, District and the Divisional levels. At the Divisional level, technical limitations as a challenge for change process was more pronounced than the other levels as reported by the respondents.

### **5.3 Conclusion**

The findings of the study observed that the Ministry of Agriculture has employed a number of change levers to facilitate the change process during the implementation of performance contracting. This has resulted to success in the implementation of the performance contract. There are some key factors which the Ministry has employed. First, there has been a lot of support given by top leadership in the Ministry. This is one of the reasons that have contributed to impressive performance in the change process. The Ministry has also created a secretariat for leading change at the headquarters which is represented by key people at the Province, District and the Divisional levels. This team has greatly contributed to the success. These factors have enabled the Ministry of Agriculture make impressive performance in the strategic change process.



The Ministry of agriculture faces challenges in an attempt to implement the strategic change process. At the Province and the District the main challenges faced are limited funds and resistance to change due to longstanding mindset. The study revealed that the employees have developed routines on how things should be done. Breaking these routines has not been easy in the institution. These have hampered the change process. At the Divisional level the main challenges are set routines and technical limitations. Though the Ministry has faced these challenges, it has made impressive performance in the strategic change process during the implementation of the performance contracting.

#### **5.4 Recommendations for Policy and Practice**

The study sought to determine the levers employed to facilitate change process during the implementation of performance contracting and the challenges in the Ministry of Agriculture. The findings from the study have apparent implication on policy and practice. The study findings imply that for an organization to successfully implement change there should be enough support from the leadership. It is also important especially for big organizations to constitute a team which can lead change. This is important especially when such change involve the whole organization.

The study also revealed that when implementing change, organizations face challenges brought about by resistance to change. The resistance may be due to the culture of the organization that has been developed over time and therefore it makes it difficult to adapt new ways of doing things. It may also be due to uncertainty and fear of the employees on how to face the new style of operations. It is therefore important as a recommendation that a participatory approach when introducing change be used in organizations.

Education and communication may also reduce resistance brought about by the employees.

### **5.5 Limitations of the Study**

The study focused on the strategic change in the implementation of performance contracting in the Ministry of Agriculture, Nairobi province. It did not consider other government Ministries. The generalization of the results to other government Ministries may not be applicable.

The study focused on Ministry of Agriculture, Nairobi Province. It did not study the entire Ministry. There is bound to be differences in the challenges faced during the strategic change in various Provinces. Districts and Divisions due to geographical location and the distance from the headquarters. The study however carried out a study across all levels in the Ministry of Agriculture, Nairobi.

### **5.6 Suggestion for Further Research**

The study did not investigate the management of strategic change in the implementation of performance contracting in the entire Ministry of Agriculture. There is bound to be differences in terms of challenges faced in the implementation of performance contracting in various Provinces due to their geographical location. It is therefore important, in connection with further research, to carry out a study of the whole Ministry.

The study only looked into the Ministry of Agriculture; there are forty two line Ministries currently. Each Ministry is run differently. A case by case study is recommended on

strategic change adopted in the implementation of performance contracting in order to come up with valid authentic conclusions instead of relying on generalizations.

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The study investigated the management of strategic change in the implementation of performance contraction. Other dimensions of the performance contracting concept can be studied as a recommendation for further research. Such include; the relationship between performance contracting and sustainable competitive advantage.

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## APPENDICES

### Appendix I: Introductory Letter

John K. Magu  
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Nairobi

Dear Sir/Madam.

**RE: REQUEST FOR RESEARCH DATA**

I am a post graduate student at the University of Nairobi undertaking research in the topic; "Management of strategic change in the implementation of performance contracting in the Ministry of Agriculture within Nairobi." The respondents will be drawn from Nairobi Province and a total of eleven officers will be interviewed. These number is composed of; Provincial Monitoring and Evaluation officer, five District Agriculture officers and five Divisional Agriculture Extension Officers. These are officers in charge of implementation of performance contracting.

I wish to guarantee that the information provided would be treated confidentially and will be used only for academic purposes. I look forward for your assistance and cooperation.

Thank you in advance.

John K. Magu  
M.B.A Student Researcher  
University of Nairobi.

Dr. V. Machuki,  
Supervisor.  
University of Nairobi.



## **Appendix II: Interview Guide**

### **Section A: Questions for Provincial Monitoring and Evaluation officer**

- 1) How long have you worked in your current area of work/deployment?
- 2) Is your office under performance contract?
- 3) When was performance contract introduced in your office?
- 4) Do you have set targets in your work or your office?
- 5) If yes in Q4, who develops the targets?
- 6) Are the Performance Contract targets freely negotiated?
- 7) If yes in Q6, who is involved in the negotiation. ?
- 8) How has introduction of performance contract created change in the way things are done in your office?
- 9) In your view how was performance contract introduced in your ministry?
- 10) What is the nature of change that accompanied the introduction of performance contract?
- 11) In your view, did the introduction of performance contract create any urgency for change in your office?
- 12) Who is assigned to oversee the implementation of performance contract in your office?
- 13) In your view, does the staff or department charged with the responsibility have enough power to lead the change effort?
- 14) Are all the staff/departments involved in the implementation of the performance contract?
- 15) Are there strategies put in place to ensure that the office/ministry implement the performance contract without difficulty?
- 16) What measures has the office/ministry put in place to ensure that all staff are aware of what the performance contract require of them?
- 17) What measures has the office/ministry put in place to consolidate improvement and still produce more change?
- 18) How does the office ensure that the performance contract is on track?

- 19) How is the monitoring and evaluation of the performance contract done in your office/ministry?
- 20) Who is involved in the evaluation?
- 21) Are there sanctions/incentives that link rewards/sanctions into measurable performance?
- 22) During implementation of the performance contract, do you receive support from your immediate supervisor?
- 23) What are some of the technical limitations that your office is facing during implementation of the performance contract?
- 24) In your office what are some of the financial or material logistics that are necessary to support effective change?
- 25) Does your office lack manpower in terms of numbers and key competencies?
- 26) During implementation. Is the scope of the required change well defined?
- 27) In your office or Ministry is there deep seated culture that is resistant to change?
- 28) How has your office/Ministry's procedure adapted to the new situation?
- 29) Is there clear communication on change goals and objectives and what is expected of each member of your office?
- 30) Has there been any management resistance to employee involvement in decision making?

**Section B: Questions for District Agricultural Officers**

- 1) How long have you worked in your current area of work/deployment?
- 2) Is your office under performance contract?
- 3) When was performance contract introduced in your office?
- 4) Do you have set targets in your work or your office?
- 5) If yes in Q3, who develops the targets?
- 6) Are the Performance Contract targets freely negotiated?
- 7) If yes in Q5, who is involved in the negotiation. ?
- 8) How has introduction of performance contract created change in the way things are done in your office?
- 9) In your view how was performance contract introduced in your ministry?

- 10) What is the nature of change that accompanied the introduction of performance contract?
- 11) In your view, did the introduction of performance contract create any urgency for change in your office?
- 12) Who is assigned to oversee the implementation of performance contract in your office?
- 13) In your view, does the staff or department charged with the responsibility have enough power to lead the change effort?
- 14) Are all the staff/departments involved in the implementation of the performance contract?
- 15) Are there strategies put in place to ensure that the office/ministry implement the performance contract without difficulty?
- 16) What measures has the office/ministry put in place to ensure that all staff are aware of what the performance contract require of them?
- 17) What measures has the office/ministry put in place to consolidate improvement and still produce more change?
- 18) How does the office ensure that the performance contract is on track?
- 19) How is the monitoring and evaluation of the performance contract done in your office/ministry?
- 20) Who is involved in the evaluation?
- 21) Are there sanctions/incentives that link rewards/sanctions into measurable performance?
- 22) During implementation of the performance contract, do you receive support from your immediate supervisor?
- 23) What are some of the technical limitations that your office is facing during implementation of the performance contract?
- 24) In your office what are some of the financial or material logistics that are necessary to support effective change?
- 25) Does your office lack manpower in terms of numbers and key competencies?
- 26) During implementation. Is the scope of the required change well defined?
- 27) In your office or Ministry is there deep seated culture that is resistant to change?

- 28) How has your office/Ministry's procedure adapted to the new situation?
- 29) Is there clear communication on change goals and objectives and what is expected of each member of your office?
- 30) Has there been any management resistance to employee involvement in decision making?

**Section C: Questions for Divisional Agricultural Officers**

- 1) How long have you worked in your current area of work/deployment?
- 2) Is your office under performance contract?
- 3) When was performance contract introduced in your office?
- 4) Do you have set targets in your work or your office?
- 5) If yes in Q3, who develops the targets?
- 6) Are the Performance Contract targets freely negotiated?
- 7) If yes in Q5, who is involved in the negotiation. ?
- 8) How has introduction of performance contract created change in the way things are done in your office?
- 9) In your view, did the introduction of performance contract create any urgency for change in your office?
- 10) Who is assigned to oversee the implementation of performance contract in your office?
- 11) Are all the staff/departments involved in the implementation of the performance contract?
- 12) What measures has the office/ministry put in place to ensure that all staff are aware of what the performance contract require of them?
- 13) How does the office ensure that the performance contract is on track?
- 14) During implementation of the performance contract, do you receive support from your immediate supervisor?
- 15) What are some of the technical limitations that your office is facing during implementation of the performance contract?
- 16) During implementation. Is the scope of the required change well defined?
- 17) In your office or Ministry is there deep seated culture that is resistant to change?

- 18) How has your office/Ministry's procedure adapted to the new situation?
- 19) Is there clear communication on change goals and objectives and what is expected of each member of your office?
- 20) Has there been any management resistance to employee involvement in decision making?

## Appendix III: Invitation Letter for Performance Contract Meeting

REPUBLIC OF KENYA



### MINISTRY OF AGRICULTURE

Telegrams: "MINAG", NAIROBI  
Telephone: 340196

Provincial Director of Agriculture  
Nyayo House 13<sup>th</sup> Floor rm  
P O BOX 30028  
NAIROBI

When replying please quote

REF:PDA/NBI/STAFF/MET/VOL.II

18<sup>th</sup> August, 2011

- District Agricultural Officer:-
- Starehe
- Kamukunji
- Kasarari
- Makadara
- Njiru
- Langata
- Embakasi
- Westlands /
- Dagoretti ^
- All the PMS'S

RE: 1<sup>st</sup> QUARTER MANAGEMENT MEETING

You are hereby invited to attend the above meeting scheduled for 29<sup>th</sup> August, at 9.30 am at the Cooperative Boardroom (Nyayo House, 12<sup>th</sup> floor).

Agenda

Negotiation on Performance Targets  
A.O.B.

**A.W. KIRURI**

PROVINCIAL DIRECTOR OF AGRICULTURE

