

**FACTORS INFLUENCING SERVICE DELIVERY ON CDF
MANAGED PROJECTS IN KAKAMEGA SUB COUNTY: LURAMBI
CONSTITUENCY.**

**BY
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A research project submitted in partial fulfillment of the requirement for the award of the degree of master of Arts in project planning and management of the University of Nairobi.

DECLARATION

This research project is my original work and has never been presented to any university for any award.

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DEDICATION

I dedicate this work to my dear Husband, Patrick Musumba and my son Awesome Amazing Tahidi for their unconditional support and Patience during the time when I was writing this proposal. My Parents Mr. and Mrs. Hannington Mutali. Brothers, Ben, Eddie, and Arnold and Sisters, Lydia, Herine, and Eunice

ACKNOWLEDGEMENT

I am deeply indebted to my supervisor Mr. Vincent Manuni Muyeka for working tirelessly with me to ensure that I come up with this research project. I wish to appreciate all the lecturers and the entire kakamega extra mural center staff for their support. A lot of thanks to the management staff under the leadership of Mr. John Mbugua who is making the environment conducive for learning.

I want to sincerely express my appreciation to my family and friends who have jointly supported me both emotionally and financially for their contribution towards the completion of this research projects. GOD bless you all

Special thanks to the masters class 2010 in project planning and management at the kakamega extra mural Centre who have continued to share their experience , resources as well as intellectual criticism that are sharpening my focus

My special thanks to go to my dear husband Patrick M. Wanzala, my baby Awesome Amazing Tahidi and my siblings

I want to my parents, Mr. Hannington Mutali Wegulo and Mrs. Claris Nekesa Mutali. For their mighty blessing they have showered me throughout my course

I also wish to thank the kakamega library staff for the assistance they are giving me in writing my proposal, not forgetting the kakamega extra mural Centre library

Finally my heartfelt thanks go to the community of the University of Nairobi for availing this wonderful chance to me

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ABBREVIATIONS AND ACRONYM'S

AAPAM	African Association for Public Administration and Management
CR	Cost Reimbursement
ERS	Economic Recovery Strategy
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation
GOK	Government of Kenya
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MDGS	Millennium Development Goals
PSR	Public Sector Reforms
PC	Performance Contracting
RBM	Result Based Management
NPM	New Public Management
CDF	Constituency Development Fund
CFC	Constituency Fund Committee
NMC	National Management Committee
ROM	Result Oriented-Based Management

ABSTRACT

The research project is about the effect of performance contracting on service delivery in CDF managed projects in Lurambi constituent. The CDF managed projects have faced varied challenges that include poor implementation, stalled projects and or abandoned project that fail to serve the intended goals. The study focused on performance contracting and was guided by the following objectives: to examine the effect of work plans on service delivery in CDF managed projects, to determine the influence of capacity building/skill development on service delivery in CDF managed projects, to examine the effect of reward system on service delivery in CDF managed projects and to determine the influence of monitoring and evaluation on service delivery in Lurambi CDF managed projects. A survey research design was used to obtain quantitative and numerical data. The study population of 200 was used; these included project management committee members, District development officer and members of the CDF committees. Questionnaires and an interview schedule were used to collect primary data. Analysis of data was through coding of data according to the themes, tabulated and expressed as percentage. It was expected that comprehensive work plans led to service delivery in CDF projects. Capacity building, monitoring and evaluation will enhance efficiency of the people by providing communication relevant to the project. It was expected that reward systems was to be limited to monetary aspects. It was from these findings that the study would recommend that work plans, capacity building and monitoring and evaluation be conceived and initiated immediately before commencing on a project. Similarly the reward system to be well defined and pegged on good performance, with the shift towards non-monetary aspects such as volunteering, renewal of contracts, supplies and oversight responsibilities.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Governments are increasingly faced with the challenge to do things differently but with fewer resources. Stakeholders' involvement in local level community development projects has been growing in many countries, including Kenya, Pakistan, India, Uganda, Bhutan, Jamaica and Papua New Guinea. As such performance contracting as a tool has been used to improve efficiency and effectiveness, while reducing total costs in service delivery in projects, Domberger,(1998), Greer *et al.*, 1999). This helps measure the extent to which targeted results are achieved in projects.

The history of distributive allocations in United States of America and United Kingdom provide a unique opportunity of developed systems of politically determined resource allocation for local development. Smoke (2001) further illustrates that rapid political, economic, and technological changes have fueled the trend to rely more heavily on lower levels of governments. In Kenya constituency development fund(CDF) as one of the devolved funds aims at achieving rapid socio-economic development at constituency level through financing of locally prioritized projects and enhanced community participation, Baskin (2010), G.O.K (2007).

According to Kenya Institute for Public Policy Research & Analysis (KIPPRA), CDF projects fall into four broad sectors: education (32%), health (26%), water (19%), physical infrastructure (8%), and agriculture, security, social services and wildlife (15%), (Kippira 2010). Lurambi constituency received Kshs: 6,000,000 in 2003 and the value rose to Kshs: 72,472,974 in 2011, this figure was to rise with the review in the allocations in 2014. This could be attributed to either inflation, the success story of management or the unstable environment linked to poverty levels and increase in constituents of women and the youth. To improve on service delivery of these CDF projects the complementary aspects of focused management and financial performance remain critical. This will require work plan, capacity building/training, monitoring and evaluation and nature of remuneration within a projected being implemented. This will help in establishment of general goals for stakeholders, sets targets for measuring performance and provides incentives for achieving these targets (Hunter and Gates, (1998), Greer *et al.*, 1999).

Public projects in many African countries are confronted with many challenges, which constrain their service 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 mind-sets, and socio-psychological dispositions. Between 60-90% of projects fail at executing their work plan (Kaplan & Norton, 2004). Work plans enable organization to be better focus on its core business. It also helps spell out the objectives and action plans that determine the outcomes, Ahorani, (1986). In Kenyan case, Choke (2006) and Kiboi (2006) link purposely designed work plans and achieving of set targets in projects. The work plan would comprise components of project that is project identification, design, implementation, monitoring and evaluation but not well managed by CDF committees'. Thus the need to investigate this view in the case of Lurambi CDF managed projects

Lings (2004) emphasizes the importance of human resource management in management of development projects. The competence and capacities of the project committees at the project implementation sites influenced the success of the projects. The technical, administrative and managerial capacities of the stakeholders are necessary to make proper decisions in management of CDF projects hence to be investigated

The concept of consumer value by government is addressed through service delivery in local level initiated projects. Steiner (1983) speculates that linking planning and resource allocation and reward for stakeholder enhance creativity and innovation in projects. According to Kenyan government, linking reward on measurable performance defined responsibility for action, this improved the correlation between planning and implementation of projects (GOK, 2001).

Monitoring and evaluation of projects improves overall efficiency of the projects in meeting social, political and economic well being of citizens in a locality. FAO (2009) indicate effectiveness of monitoring and evaluation systems in tracking sound management and performance patterns. According to UNDP (2002) the demand for service delivery of projects calls for effective utilization of monitoring and evaluation results. In Kenya, the CDF act creates 2% of the allocated funds for monitoring and evaluation of ongoing projects and capacity building activities of the stockholders, G.O.K (2010). Factual information facilitates understanding, ownership and participation in projects; this forms the basis for monitoring and evaluation.

1.2 Statement of the problem

According to a report of National Tax Association (NTA) (2010), from financial year 2003/2004 to 2007/2008, found wastage of the CDF funds, whereby, Kshs.5,950, 000 (US\$77,273) had been wasted due to badly implemented projects and Kshs 600,000 (US\$7,792) on abandoned projects. The

Lurambi constituency received Kshs: 6,000,000 in 2003 and the value rose to Kshs: 72,472,974 in 2011, this figure was to rise with the review in the allocations in 2014. This is to show that both the legal and political aspects requirements for CDF funding are met, But the challenges that CDF projects in Lurambi face are achieving the goals. For instance there are several CDF projects which started long time ago but have never been finished or even abandoned, others are completed and others are in progress.

Category	Project Assessment Classification	No. of projects	Budget awarded	Budget spent	Budget Unaccounted for
			Kshs	Kshs	Kshs
A	Well built, completed –projects good quality construction, good value for money for taxpayers.	60	42,496,124	42,496,124	-
B	Badly built, complete and ongoing projects- poor quality construction, money wasted, poor value for money	26	20,420,000	20,420,000	-
C	Well built, ongoing projects- project not yet complete, being built in phases, so far well built	78	67,784,019	67,784,019	-
D	Abandoned projects- projects are incomplete and did not receive financial allocation in the subsequent financial year.	1	600,000	600,000	-
E	Ghost projects- officially allocated funds, but project does not physically exist.	2	320,000		320,000
TOTAL		167	131,620,143	131,300,143	320,000

Table 1: Summary of findings from NTA Audit of CDF Projects 2007-08 in Lurambi Constituency.

Main Findings	Summary of Funds (Kshs.)	% of the Total
Total money badly used (B Projects)	20,420,000	16
Total money wasted(D Projects)	600,000	0.5
Budget Unaccounted For	320,000	0.2

Table 2: Summary of table 1 above.

According to Okungu (2008), a political analyst, 70% of the constituencies reported mismanagement and misappropriation of funds .This could be attributed to lack of feasible work plan, ineffective project implementation due to lack of competency and capacity (skills), inability to use monitoring and evaluation as tool, its data to make proper decision and poor rewarding system used in projects. Therefore the need to investigate this situation in CDF managed projects in Lurambi constituency, Kakamega County.

1.3 Purpose of the study

To investigate the performance contracting in CDF managed projects within Lurambi constituency-Kakamega County.

1.4 Objectives of the study

1. To examine the influence of performance contracting on service delivery of Lurambi CDF managed projects.
2. To determine whether capacity building improves delivery of quality services in the Lurambi CDF managed projects.
3. To determine whether reward systems used influence service delivery in Lurambi CDF managed projects
4. To establish how monitoring and evaluation of CDF managed projects in Lurambi constituency influence.service delivery.

1.5 Research questions

1. Does comprehensively developed work plan better service delivery in the Lurambi CDF managed projects?
2. Does capacity building and skills development improve service delivery in the Lurambi CDF managed projects?
3. Is service delivery in the Lurambi CDF managed projects influenced by the reward system in place?
4. How does monitoring and evaluation of CDF managed projects in Lurambi constituency influence service delivery?

1.6 Significance of the study

This study aims at laying a platform on effective usage of CDF funds in creating service delivery in projects that would favour local development, reduce poverty levels and empower local participation by various stakeholders. This study builds a case for community engagement in CDF projects through; development of work plans, capacity development, communication on state of the projects and ownership through reward systems

1.7 Delimitation of the study

This study focused on performance contracting: work plan ,capacity development, reward system, monitoring and evaluation on service delivery in CDF managed projects of Lurambi constituency, Kakamega Sub County in Kakamega County in Kenya. The samples of study were drawn from the committee overseeing CDF projects in Lurambi constituency.

1.8 Limitation of the study

The researcher would want to maximize collection of information from the stakeholders above by drawing a work schedule to access various departments and localities to collect data to save time and money.

1.9 Basic assumption of the study

That local people use their personal and institutional capacities to mobilize and manage resources required for projects initiated at local level. They use this capacity to analyze their local complex and diverse realities which are in line with their desire and work towards it as a goal.

1.10 Definition of significant terms

Monitoring and evaluation-Monitoring is a systematic and routine collection of information regarding projects. Whilst evaluation is assessing the ongoing process. Monitoring and evaluation therefore is a continuous process of systematically assessing, collecting of information and drawing conclusions on an ongoing project.

Performance contracting: It is a binding agreement between two or more parties for performing, or refraining from performing some specified act (s) over a specified period of time

Service delivery: service delivery is getting services as quickly as possible to the intended recipient. It focuses entirely on the recipient.

Skills development: It is an ongoing, continuous process in which organisations where individuals enhance their ability to perform tasks through training.

Work plan: Work plans enables organization to be better focus on its core business. It also helps spell out the objectives and action plans that determine the outcomes to be achieved within a specified period of time.

1.11 Organization of the study

This study is organized in three chapters. *Chapter one* dealt with the background of the study, statement of the problem, purpose of the study, objectives of the research, research questions, significance of the study, delimitations of the study, limitations and basic assumptions of the study. *Chapter two* consisted of the literature review that comprises introduction, Global perspective of performance contracting, the themes, Theoretical framework, conceptual framework and summary of the literature review. *Chapter three* dealt with the research design, target population, sample size, sampling techniques, data collection, questionnaire, validity of the research instruments as well as reliability of the research instruments, and concluded by discussing data collection, data analysis and ethical considerations. *Chapter four* focused on data presentation, data analysis and interpretation. Finally *chapter five* provided a summary of the research findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter consists of the literature review dealing with the secondary information on performance contracting and service delivery from different countries. It then captures the variables of this study, theoretical framework and the conceptual framework.

2.2 Performance contracting and service delivery in projects.

Lane (1987) defines a contract as a binding agreement between two or more parties for performing, or refraining from performing some specified act(s) in exchange for lawful consideration. On the other hand, The American Heritage Dictionary (2009) defines performance as the results of activities of an organization or investment over a given period of time. Performance contracting as part of strategic management is, therefore, defined as a binding agreement between two or more parties for performing, or refraining from performing some specified act (s) over a specified period of time.

It is a branch of management control systems which provide information that is intended for managers in performing their jobs and to assist organizations in developing and maintaining viable patterns of behavior (CAPAM, 2005). As part of performance management, performance contracting is a central element of new public management, which is a global movement reflecting liberation management and market-driven management. Liberation management means that public sector managers are relieved from a plethora of cumbersome and unnecessary rules and regulations which usually hinders quick decision making in the organization (Gianakis, 2002).

In particular, performance contracting is seen as a tool for improving public budgeting, promoting a better reporting system and modernizing public management while enhancing efficiency in resource use and effectiveness in service delivery (Greiling, 2006). According to GoK (2007), a performance contract is a management tool for measuring negotiated performance targets. It is a freely negotiated performance agreement between the government, acting as the owner of public agency on one hand, and the management of the agency on the other hand. The expected outcome of the introduction of the performance contracts includes improved service delivery, improved efficiency in resource utilization, institutionalization of a performance-oriented culture in the public service, measurement and evaluation of performance, linking rewards and sanctions to measurable performance, retention

or elimination of reliance of public agencies on exchequer funding, instilling accountability for results at all levels and enhancing performance.

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 sociologist that are necessary to support effective service delivery. Consequently, public sector reforms are meant to address these challenges have achieved minimal results, (AAPAM, 2005). But, Steiner (1983) and Barclays Africa, (1997). In spite of these problems practitioners and academics like Porter (1983) came in support of strategic planning by placing emphasis on strategy implementation.

In Canada the government's approach to performance contracting and management were rooted in early 1990's expenditure management systems designed to cut costs during a period of budget deficits (Kernaghan & Siegel, 1999) and in France they were first introduced in the Directorate General for Taxes (DGI) specifically designed to respond to two main concerns (Grapinet, 1999). First, as tools meant to ensure consistency in a decentralized context and second, as tools to enhance pressure on the entire services network in order to improve performance. Performance Contracting is used by the public sector policy makers to emphasis on performance management for service delivery by uniting the attention of institution members on a common objective and galvanize them towards the attainment of this objective (Balogun, 2003).

Introduction of New Public Management (NPM) models in Africa was influenced by challenges emanating by African countries trying to maintain a macro-economic stability, lowering inflation, reducing scope and cost of government and cutting deficit spending by deregulating public enterprises and ensuring they run as private sector business (World Bank, 1989). Jones and Thomson, 2007, as cited by Obong'o 2009, uses the term NPM widely to label changes occurring in the conduct of the public sector business in 'managerialism'. It shifts emphasis from traditional public administration to public management and entrepreneurship (Economic Commission for Africa, 2003). Consequently most developing countries have implemented reforms that involve adoption of multiplicity of measures intended to improve service delivery (Kiragu and Mutahaba, 2005).

Results Based Management is a participatory and team-based management approach designed to achieve defined results by improving planning, programming, management efficiency, effectiveness, accountability and transparency (CIDA, 2001). The government of Kenya introduced Results Based Management in Public Service to improve service as a deliberate policy (GOK, 2004) to enable public service servants concentrate on results when delivering services to citizens. Results orientation

involves changes in current procedures, processes and practices to those that focus on attaining results (Kobia, 2006). Therefore, RBM's framework is at three levels namely: national, organization (MDAs) and individual. It encompasses elements such as target setting, performance monitoring and reporting, performance appraisals etc. It is embedded in two key components namely performance management information system and a strong enforcement mechanism.

Performance Contract in Kenya is a hybrid system borrowed from the international best practices and Balanced Score Card from countries such as Korea, China, USA, UK, Morocco and Malaysia but contextualised/domesticated to suit the native context. The Balance Score Card connects the government's Vision, Mission and Strategic objectives in provision of desired results to its citizens and stakeholders needs, financial/budget, internal processes and capacity building (learning and growth) and links long term targets and annual budgets to strategic objectives. Sean (2009) points out that performance contracting should be much more than a process for documenting and delivering feedback, coaching and ratings. Performance management process typically involves four main stages namely work plan management, skills development, performance monitoring and evaluation, and rewarding of outstanding performance

2.3 Use of work plans and service delivery in CDF managed projects

Between 60-90% of projects fail at executing their work plan (Kaplan & Norton, 2004). Work plans enables organization to be better focus on its core business. It also helps spell out the objectives and action plans that determine the outcomes, Ahorani, (1986). In Kenyan case, Choke (2006) and Kiboi (2006) link purposely designed work plans and achieving of set targets in projects. The work plan would comprise components of project that is project identification, design; implementation, monitoring and evaluation but not well managed by CDF committees'. Thus the need to investigate this view in the case Lurambi CDF managed projects

In terms of work plan management, it is based upon business plans and other corporate documents, key deliverables and areas of responsibility to which staff members will contribute are determined. A staff member and manager agree on the work and responsibilities of the staff member's position. The plan will also set out how the staff members' performance will be measured or evaluated against set objectives (Akaranga, 2008).

Within the context of performance evaluation, Armstrong and Baron (2004) speculate that the staff member's performance and the achievement of the objectives in the work plan needs to be evaluated periodically

In work plan management, he argues that this is to be based upon business strategic plans and other related corporate documents. A staff member and manager agree on the key responsibilities and targets to be achieved during the period under review. The plan also sets out how the staff members' performance will be measured or evaluated against the set objectives. The performance aspect of the plan obtains agreement on what has to be done to achieve objectives, raise standards and improve performance.

2.4 Capacity building (skills development) and service delivery in CDF managed projects

Lings (2004) emphasizes the importance of human resource management in management of development projects. The competence and capacities of the project committees at the project implementation sites influenced the success of the projects. According to Kavanagh and Parker, (2000) labour quality is determined by the level of education and training that is achieved if the level and training is high then the efficiency of labour will be high and vice-versa. If the workers are highly educated then the fringe benefits and wage rate will be higher. This include transport, housing, medical, leave allowances. Skills development, the staff member and the manager identify and agree the learning, development and information needs of the staff member to meet their performance and the business needs of the business unit. This would include selecting options and the development of an action plan to access the opportunities identified (Armstrong, 2006).

In terms of skills development, the staff member and the manager identify and agree on the training requirement, development and information needs of the staff member to meet their performance which on a large extend will meet the business needs. This includes selecting options and the development of an action plan to access the opportunities identified (Armstrong, 2006).

Physical strength and natural abilities of workers: if a worker is strong and talented in handling an activity then he is likely to be efficient. Degree of expertise and experience; if a worker is highly experienced in a certain profession, he is likely to perform his duties excellently and vice –versa. Availability of factors of production such as capital, entrepreneurship and land will enhance the labour thus increasing productivity. A positive attitude toward a task will equally increase productivity of a task while the vice versa is also true. All the above conditions put together will increase labour quality and subsequently increase output. The technical, administrative and managerial capacities of the stakeholders are necessary to make proper decisions in management of CDF projects hence to be investigated

2.5 Reward system and service delivery in CDF managed projects

The concept of consumer value by government is addressed through service delivery in local level initiated projects. Steiner (1983) speculates that linking planning and resource allocation and reward for stakeholder enhance creativity and innovation in projects. According to Kenyan government, linking reward on measurable performance defined responsibility for action, this improved the correlation between planning and implementation of projects (GOK, 2001).

With regard to rewarding outstanding performance, there is need to reward outstanding work which is recognized from the evaluation reports. The top performers need to be rewarded in various ways ranging from recognition to award of medals and other material endowments (Armstrong, 2006). With regard to rewarding outstanding performance, there is need to reward outstanding work which is recognized from the evaluation reports. The top performers are to be rewarded in various ways ranging from recognition to award of medals and other material endowments (Armstrong & Baron, 2004; Armstrong, 2006).

Nahavandi (2006) points out that outstanding performance should be rewarded through promotion, pay-increase or recognition which should be negotiated on signing the performance contract. This process could be true for almost any situation; those who naturally fit well into an organization's mission and culture are more apt to be selected and rewarded in some fashion. The renewal of the mandate of members of the supervisory board and the management board being dependent on performance evaluation is a major change and may act as an important incentive. It is also expected that outstanding performance is rewarded through promotion, pay-increase or recognition.

2.6 Use of monitoring and evaluation and service delivery in CDF managed projects

Monitoring and evaluation of projects improves overall efficiency of the projects in meeting social, political and economic well being of citizens in a locality. FAO (2009) indicate effectiveness of monitoring and evaluation systems in tracking sound management and performance patterns. According to UNDP (2002) the demand for service delivery of projects calls for effective utilization of monitoring and evaluation results. In Kenya, the CDF act creates 2% of the allocated funds for monitoring and evaluation of ongoing projects and capacity building activities of the stockholders, G.O.K (2010). Factual information facilitates understanding, ownership and participation in projects; this forms the basis for monitoring and evaluation.

The process of monitoring and evaluation is defined by management theory, as well as political science theory, as the collection and analysis of relevant data about organizations' achievements and

the implementation of actions to improve future performance (McKelvey & Palfrey, 1996). Control and monitoring is frequently identical with accountability when public needs and interests are involved. As was viewed by Stewart and Ranson (1994), organizations in the public domain exercise substantial power for which they are accountable. Public accountability must involve a political process which responds to the many voices of citizens and other stakeholders.

Accountability is the process of being responsible, liable for the respective actions. Therefore performance contracts should aid workers to have a vision, set standards allow them to work under minimal supervision and also allow one to be rewarded for his/her good performance (OECD, 1999). This effect can be examined from four fronts: Human Resource Management, Financial Management and Cost Consciousness, Internal Organization and External Relations (Bouckaert, et al., 1999). The renewal of the mandate of members of the supervisory board and the management board being dependent on performance evaluation is a major change and may act as an important incentive. It is also expected that outstanding performance is rewarded through promotion, pay-increase or recognition, (G.O.K, 2005).

Lings (2004) emphasizes the importance of human resource management, to establish perfect human resources management strategy maintains the value goals of continuous survival, high growth and high profit in practice. Slater (1999) reiterated that performance contracting if well executed may increase speed in decision making and builds self-confidence in employees. Shirley and Lixin (1997) add that without the performance contracts projects are run without any form of performance evaluation which makes impossible to appraising people working in a project. Shirley (1998) argues that performance contracts are persuasive. Martins (2000) and Moy (2005) in his final report on state surveyed on the best practices and trends in performance reveals increased accountability for service delivery and deliverables and increased partnership between stakeholders. It has plays a number of roles including enhancing good customer relationship, production of quality goods and services, building competitive advantage, staff motivation, and helping in the identification of customer needs (OECD, 1999).

2.7 Theoretical Frameworks.

This study was guided by the theory of the employment relationship advanced by H. A. Simon and optimal rewards in incentives systems by G M Yowell. In institutional organization, relationships and collective behaviour of those serving in the sector, the aim is to enhance efficiency and effectiveness together with probity and integrity. In the effort to achieve the objectives and targets of economic recovery strategy and to manage performance challenges in public services, the government adopted performance contracting in public services as a strategy for improving service delivery to Kenyans.

One crucial element is the ability to specify and measure desired performance. James Q Wilson has developed a matrix for assessing the appropriate approach to managing different types of public sector activities. Wilson suggests that from a managerial of management to observe operational activities (are the outputs observable?), and the ability to observe the results of their activities (are the outcomes observable?). This gives a two by two matrix, shown in Table 1 below.

Outcome observables

Payment of Welfare Benefits	Monitoring and Evaluation
Work plans	Education

Table 3: Relationship between observables and output.

Where outputs and outcomes are both observable (for example in the processing of welfare applications or income tax returns, which Wilson labels “production organizations”), Wilson sees scope for designing a prescriptive performance management regime which will generate efficiency gains (although he warns of the danger of inducing dysfunctional behavior). Where neither outputs nor outcomes are readily observable (for example, in education, which Wilson labels “coping organizations”) management is forced to focus efforts on recruitment and training, and the development of a culture which values performance rather than the use of formal performance indicators. Where either outputs or outcomes are observable, but not both, Wilson labels the organization’s as procedural or craft organization’s respectively. In procedural organizations the management focus is on instilling a sense of professionalism and quality processes.

2.8 Conceptual framework.

INDEPENDENT VARIABLES

Work Plan
-Short term
-Long term

Capacity Building
-Training
-Benchmarking

Reward System
-Monetary
-Non monetary

Monitoring and Evaluation
-design specification
-performance

INTERVENING VARIABLES

Legal framework

DEPENDENT VARIABLES

Service delivery
-Utility
-Reduced cost
-time

Political mode /personal
traits

MODERATING FACTORS

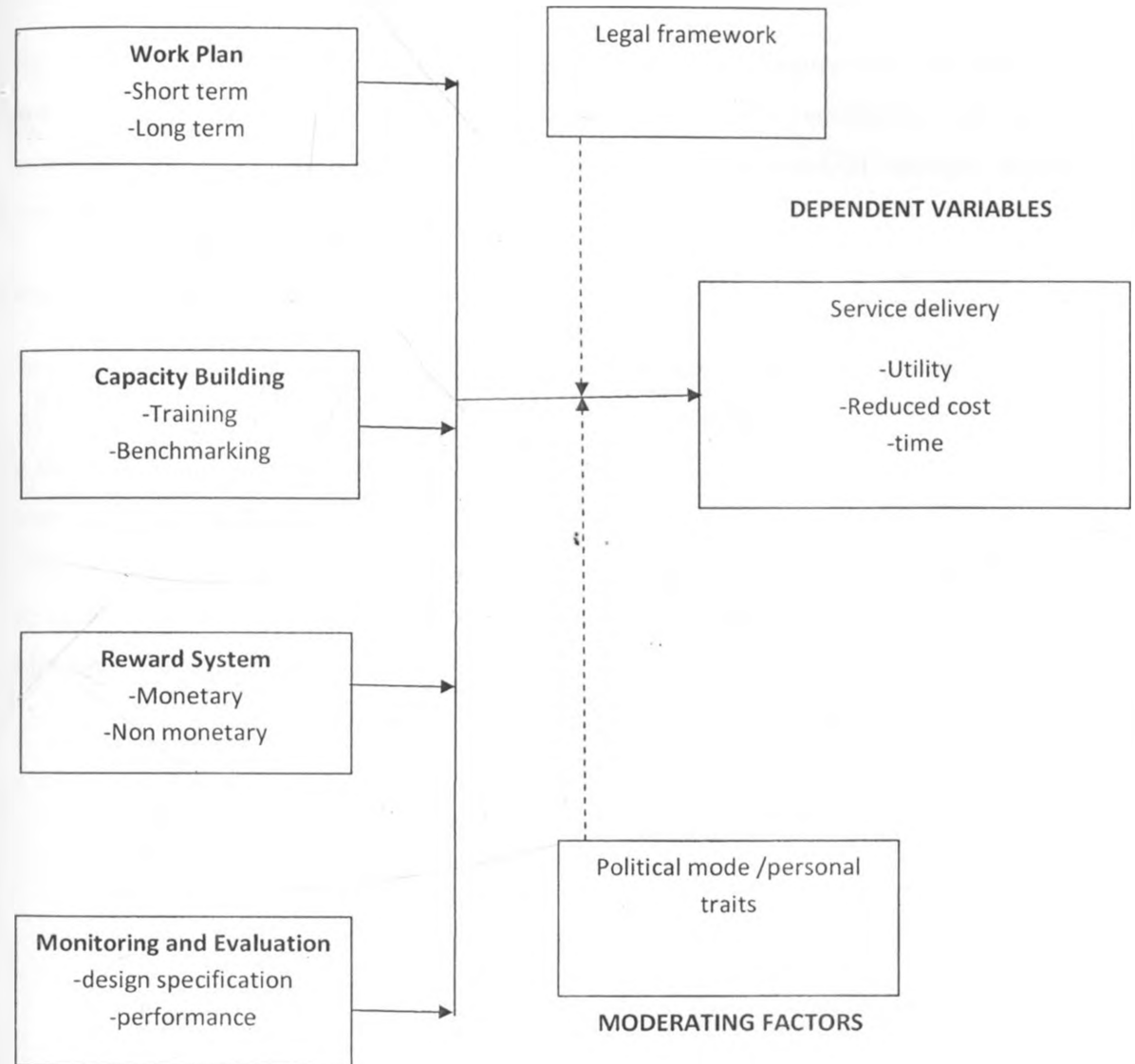


Figure 2.1 shows the relationship between performance contracting (independent variable) and service delivery (dependent variable)

Figure 2.1 shows the relationship between performance contracting (independent variable) and service delivery (dependent variable). Work plan will consider plans developed both on short term and long term basis and their influence on service delivery in CDF managed projects in Lurambi constituency

It considers capacity building that focuses on training/workshops and benchmarking and the effect on service delivery in CDF managed projects in Lurambi constituency.

Monitoring and evaluation that capture the aspects of design specification and performance and contribution to service delivery in CDF managed projects in Lurambi constituency and lastly the reward system (monetary and non-monetary)system and service delivery in CDF managed projects in Lurambi constituency

2.9 Summary of literature review.

The above literature review clearly points out that performance contracting is critical in service delivery in CDF managed projects in Lurambi constituency. Globally, CDF it is seen as a way of breaching the separation of power between the government and local people in discharge of duties. Many countries world over face the challenge of dealing with limited resources and desire to achieve the best. Thus practices that are geared towards improved service delivery are adopted. The use of work plan, capacity development/skill development, monitoring and evaluation and reward system and service delivery in CDF managed projects.

CHAPTER THREE.

RESEARCH METHODOLOGY.

3.0 Introduction

This chapter will review the procedure to be opted in the study. It describes the research design, population and sampling techniques, data collection instrumentation, research procedure quality control, validity and reliability, assumption and limitations and lastly ethical considerations.

3.1 Research Design.

A research design is a structure of research. The study employed the descriptive survey research design. This involved collection of data from a number of populations in order to determine current status of the population with respect to one or more variables (Kombo & Tromp 2006). Descriptive survey research encompasses any measurement procedure that involves asking questions to the respondents. Ngaira and Walingo (2008) puts as self report assessment. It helps to explain and explore the status of two or more variables at a given time, in this study the researcher intended to survey the CD managed projects and gather information.

3.2 Target Population

According to Borg and Gall (1989), a target population is defined as all members of the real set of people, events or objects to which a research wishes to generalise the results of the study. The study's population was 200 individuals, Project management committee members (130), District development officers (1) and members of CDF committees (69), in Lurambi constituent-Kakamega County.

3.3 Sample Size

A sample is therefore a smaller group obtained from the accessible population. According to Mugenda and Mugenda (1999), 10% of the target population can make a reasonable size for experimental studies or 30% or more samples may be required for descriptive studies. The sample consisted of 60 participants from the 200 stakeholders. This is agreeable with (Mugenda & Mugenda, 1999) who concurs that 30% of the population is enough and adequate for the study.

Respondents	Total sample	Actual sample	Percent (%)
Project managers	130	39	30
CDF committee	69	20	29
District development	1	1	100
Total	200	60	65

Table 4: Table showing population and sample size

3.4 Sampling techniques

According to Kothari (2004) an appropriate sampling technique is used when the entire population would be unmanageable. The study population was divided according to the administrative regions and type of project using systematic random sampling technique i.e. (education, health, water, agriculture, others). For each administrative region a project manager was picked through purposive sampling and members randomly selected and interviewed while others completed questionnaires. To include more members in the study, members were considered from the sectors mentioned above, questionnaires were being administered to some and others interviewed.

3.5 Research Instruments

Research instruments are techniques or tools used to collect data, Mbwesa (2006). The study used a questionnaire, an in-depth interview and informal site observation. The study adopted data triangulation by using a combination of data sources; primary data by interview of respondents, visit to some project to observe and use of questionnaires while incorporating secondary data from monthly reports, journals; such that the strength and weakness in each source are compensated when used together. Interviews and observations were used after questionnaires have been administered, to help clarify and fill in possible gaps in the completed questionnaires for the primary data but mostly to achieve convergence of information.

3.5.1 Questionnaire

A Questionnaire is a list of questions: a set of questions used to gather information in a survey or research. This questionnaire was administered by the researcher, a master's student at the University of Nairobi. The goal of the questionnaire is to collect information on performance contracting on service delivery in CDF managed projects.

3.5.2 Interview

Interview is a meeting for asking questions: a meeting during which somebody is asked questions, e.g. by a prospective employer, a journalist, or a researcher they are therefore a set of supplement results from questionnaire, whereby the real words of the respondents are quoted by the researcher. All the project managers were interviewed. The respondents were interviewed by a researcher from the University of Nairobi.

3.6 Validity of data collection instruments.

Validity refers to the degree to which a method, a test or a research tool actually measures what it's supposed to measure. According to Ngaira and Walingo (2008), validity considers whether data obtained in a study represents the variables of the study. Validity was sort using a number of tools: questionnaire, interviews and site observation in the study. These instruments helped add rigor, breadth and depth in the investigation

3.7 Reliability of data collection instruments

Reliability is the judgment of the extent to which a test, a method or a tool give consistent results across a range of settings and if used by many researcher. Le Compte and Preissle (1984) describe reliability as the extent to which studies could be replicated and assumed that a research using the same methods could obtain the same results as those of prior study. In this study a test-retest approach was used and the results compared and reliability coefficient of 0.79 preferred.

3.8 Data collection procedures

To get data for this study, the researcher obtained a letter of introduction from the University of Nairobi which will be taken to the Governor of Kakamega County for permission. The researcher collected information from the respondents on the date agreed upon through direct contact to cater for partial responses and refusal to reply. This increased the return rate to eliminate any chance of delay. The instructions were clearly issued and they were assured that the information was confidential and would only be used for the study. The respondents were given adequate time to respond to the questionnaire items. The completed questionnaire were checked to find whether they had been appropriately and fully responded to and in case of non- response, the researcher used the available responses to analyse data(Deobold, 1979). The analysed data will be represented in an organised form using tables, percentages and frequencies.

3.9 Data Analysis Techniques

The data obtained was organized and then analyzed descriptively using content analysis methods. This employed a systematic qualitative description of the objectives as units of study (Mugenda & Mugenda 1998) and would determine the intensity with which certain themes would have been used. The method entails a detailed description of the objectives that will comprise the sample. Data was analysed both quantitatively and qualitatively. A descriptive method was employed and data presented in the form of frequencies percentages and tables that facilitated description and explanation of the findings. Codes were used as a way of organising qualitative data which will be collected from the research. This involved:

- Going through the data and numbering them subsequently
- Carefully searching through the data for regularities and
- Patterns related to the research objectives and questions which the study intended to answer and writing down word phrases to represent the regularity and patterns.

The words phrases were in code categories and were used to sort out descriptive data so that material bearing on the given research questions can be physically be separated from the data. The evidence given to support observation was in form of statements and illustrative description.

3.10 Ethical Considerations

Ethical measures are principles which bind the researcher in conducting the research (Schulze, 2002). In this study the researcher obtained *permission* to conduct the research in this case from the governor's office Kakamega County. An approval for conducting the research should be obtained before the data is collected (McMillan and Schumacher, 1993).

Participants must have an *informed consent* by being given enough information pertaining the study before data is collected. (Schulz, 2002).. In this research the respondents were given enough information on the aims of the study, procedures to be followed, and the possible advantages of the study to the participants, the credibility of the research and the way in which the results were to be used. This made the respondents make informed decisions on whether they wanted to participate in the research or not. No form of deception was used to ensure respondents participate in the study (De Vos et al, 1998) Lastly, a researcher was responsible at all times and vigilant, mindful and sensitive to human dignity (Gay 1996), this is supported by (McMillan and Schumacher 1997) who

stress that the information on participants should be regarded as confidential unless otherwise agreed on through informed consent.

In this research *participant confidentiality* was not be compromised as their names were be used in the event of data collection. No private or secret information was divulged as the right to confidentiality of the participants respected (Huysmans 1994). For this reason no concealed media was used. Only the researcher accessed the names and data to ensure that the confidentiality of participants. Research findings would therefore be presented anonymously.

CHAPTER FOUR.

PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF DATA.

4.1 Introduction.

This chapter presents the data collected, analysis and interpretation from the field. The data was collected using instruments like questionnaire, interview guide and documentation, which was highlighted under the researcher's methodology. In this chapter, more emphasis has been placed on the interpretation of the raw data in relation to the set objectives and the research question as set for the study.

4.2 Demographic information.

This section presents information gathered using section A of the questionnaire- Profile of the respondents.

The researcher prepared questionnaires and the interview guide for this study. The questionnaires were administered using both personal administrations with on the spot collection where the researcher delivered the questionnaire in person and waited for the respondents to fill them then went back with them. Personal administration with collection after time was employed to give the respondents ample time to answer the questionnaire and consult other sources like balance sheets and other documents.

The researcher distributed 60 questionnaires to staff members and employees of Lurambi CDF. All the questionnaires were completed and returned back. This means that questionnaires which had completed represented a good response rate which was considered ample for the objectives of the study(Amin, 2005). The researcher later purposely sampled and interviewed all the seven Heads of Department to shed more light on the questions presented.

4.2.1 Gender of respondents.

Gender	Frequency	Percentage (%)
Male	35	66
Female	18	34
Total	53	100

Table 5: Gender of respondents. (Source: primary Data 2014).

It is observed from table 5 that the majority of the respondents were males since they were 66% and their counterparts were 34% of the staff and 18 in number out of 53 respondents. Whereas the Kenyan government places more emphasis on gender balance and equity in all organization, Lurambi CDF was found to have fewer women than men.

During the interview with the heads of department, it was confirmed that the girl child is neglected in some departments such as engineering and enforcement in sub-departments. This is because they are perceived to be weak and of less strength to handle heavy engineering chores. Sometimes the community played a negative role towards encouraging the women or girl child take up engineering courses and enforcement courses. If majority of the women or girl child take up engineering courses, they can improve the productivity of service delivery. This was in line with ERSWEC GOK (2003) that says "Gender mainstreaming activities under this cross cutting issue include the development and implementation of gender policy to guide gender mainstreaming activities plus compliance level with 30% gender representation policy on employment in public service". This is seen by the 34% gender representation which was more than 30% hence acceptable.

4.2.2 Analysis based on respondent’s age

Age Interval	Class Mid Points (x)	Frequency (f)	Percentage (%)	Class Mid Points x Frequency (fx)
11-20	15.5	2	3.7	31
21-30	25.5	6	11.3	153
31-40	35.5	18	33.9	639
41-50	45.5	23	43.4	1046.5
51-60	55.5	2	3.7	111
Totals	177.5	51	96	1980.5

Table 6: Age of respondents. (Source : Primary data 2014).

To know the relevance of the age group towards organizational performance, the researcher carried out the analysis based on the calculation of the percentage of the respondents and came up with the following results:

$x = \text{Mean } \sum fx = \text{sum of frequency of each class (f) times the class mid-point (x)}$

$x = \sum fx / \sum f = 1980.5 / 51 = 38.8 \text{ years.}$

$= 39 \text{ years.}$

The modal age group was 41-50.

Referring to table 6 the average age for this data set is 39 years old. Among the 53 respondents, 2 of the respondents omitted their age in the questionnaire. This table portrays 4.2 % are less than 20 years old. 12.5% are between 21 and 30, 33.3% are between 31 and 40, 41.7% are between 41 and 50 while only 4.2% are between 51 and 60. These ages portray people who can actively render good and quality labour and services in the organization evidenced by the modal age group of between 40 and 50 years.

During the interviews with the heads of departments, it was realized that the government paid strict attention to employment of underage and overage staff where underage was below 18 years and overage was above 60 years. Hence referring to this table 6 and the interviews non staff of Lurambi CDF was below the age of 18 years and also none of its staff was over 60 years meaning that all employees had the right age to deliver quality service to the Local Authority and in line with AAPAM (2005).

4.2.3 Highest level of education and training of the respondents.

Educational Level	Frequency	Percentage (%)
Primary Certificate and below	2	3.7
Secondary Certificate	5	9.4
Professional Certificate	8	15
Diploma	14	26
Advanced Secondary Certificate	4	7.5
Bachelors Degree	20	37.7
Masters Degree	2	3.7
Doctoral Degree	0	0
Total	53	100

Table 7: Highest level of education and training of the respondents. (Source: Primary Data 2014).

It is observed from table 7 that none of the respondents had a doctorate degree, 3.7 % of the respondents were master's degree holders, 37.7 % of the respondents were bachelor's degree holder, 26% had diplomas , 15% had professional certificates, 7.5 % schooled up to advanced secondary certificate, 9.4% had form four certificates while 3.7 % had a primary certificate and below or none.

During the interview with the heads of departments, it was noted that the Lurambi CDF gave a high priority to the education and the level of training of its staff and employees since it directly affected the quality of service delivered, the accountability process and management of the local authority.

Hence the CDF took most for its employees for further training. This was evident by the large number of its staff taken for further studies in the financial year 2006/2007, 40 employees were

sponsored for further learning in various degrees and Diplomas in Kenyan universities while in the financial year 2009/2010, 56 of the staff were sponsored by the CDF for various degrees, diplomas and short courses. Hence the high percentage of skilled staff employees shows the possibility of quality and service offered accountability and better management process.

4.2.4 Number of Children of Respondents.

The researcher realized that 62.2% of the respondents have children while 37.8% don't have children. Relatively, those who have children almost 3/4 of them have 3-5 children, 4 of the respondents have between 1-2 children and the remaining one have more than 5 children as observed in table 8 below.

Number of Children	Frequency	Percentage (%)
None	20	37.8
1-2	4	7.6
3-5	26	49
Above 5	3	5.6
Total	53	100

Table 8: Number of Children of respondents (Source: Primary Data 2014).

The researcher developed interest in this question to determine what percentage of worker whether high or low go for maternity and paternity leaves. This is because in case of high percentage of workers going these Leaves, then the management process, accountability and quality of labour and service delivery will be affected negatively. This outcome is an indicator of people who are only eligible for normal annual leave hence most are at work leading to less labour shortages due to many employees not working because of maternity and paternity leave.

4.2.5 Marital status of the respondents.

It is observed in table 9 that 56.6% of the respondents are married while 34% are single and not married, 3.7% are widowed while 5.6% are divorced of the total respondents in the sample.

Marital Status	Frequency	Percentage (%)
Single	18	34
Married	30	56.6
Divorced	3	5.6
Widowed	2	3.7
Total	53	100

Table 9: Marital status of the respondents. (Source: Primary data 2014)

4.2.6 Work experience of the respondents

The researcher realized that 41.5% of the respondents are having between 5-10 years working experience in Lurambi CDF, 30% were having between 1-5 years while 24.5% have over 10 years working experience and finally only 3.8% had less than a year working experience. The researcher was interested in knowing the level of skills and experience of the staff and employees of the Lurambi CDF. It came out openly through table 10 that over 65% of the staff have more experience hence can facilitate accountability, quality labour and service delivery and proper management practices through performance contracts which is acceptable with Brown and Potoski (2001).

Working experience	Frequency	Percentage (%)
Below 1 year	2	3.8
Between 1-5 years	16	30
Between 5-10 years	22	41.5
Above 10 years	13	24.5
Total	53	100

Table 10: Work experience of the respondents (Source: Primary data 2014)

4.2.7 Working Departments of the Respondents

The researcher was interested in knowing the departments found in Lurambi CDF to ensure all inclusive data departments involved; Clerk to CDF, Treasurer to CDF departments, education, public health engineering, social services and finally environment departments. This was necessary because it enabled the researcher to sample the respondents using both simple random sampling and stratified random to ensure all groups of people were included in the sample as said by (Mugenda & Mugenda, 1999). This was shown in table 11.

Department to Work	Frequency	Percentage (%)
Clerk to CDF	13	24.5
Treasurer to CDF	8	15
Education	10	19
Engineering	9	17
Environment	3	5.6
Public Health	6	11.3
Social Services	4	7.5
Total	53	100

Table 11: Working Departments of the Respondents (Source: Primary data 2014).

4.3: The influence of performance contract on Quality of Service Delivery.

The researcher sought to know whether in any way has performance contracts affected the quality of labour and service offered by Lurambi CDF. The investigator used the following questions to investigate the effects of performance contracts;

4.3.1 Performance contracts contribution to Quality services and maintenance.

The researcher investigated whether performance contracts have contributed to improve quality of service maintenance. The results were as in table 12.

Quality labour control	Frequency	Percentage (%)
Strongly Agree	33	62.2
Agree	9	17
Undecided	4	7.5
Disagree	3	5.7
Strongly disagree	4	7.5
Total	53	100

Table 12: Performance contracts contribution to Quality services maintenance.

(Source: Primary Data 2014)

A total of 33 employees strongly agreed that quality service maintenance measures had been put in place to ensure the improved quality of service delivery in this CDF which was 62.2%, 9 employees agreed which was 17% of the whole sampled responses returned and filled successfully, 4 were undecided which was 7.5%, 3 respondents disagreed which was 5.7% and finally 4 respondents strongly disagreed which was 7.5%.

The researcher attached serious importance to this question, because with quality service maintenance measures, the output of the CDF would definitely be of high quality and increased in quantity.

While interviewing the heads of the departments, it was discovered that the CDF was aiming to improve the quality of service agreed by hiring of trainable workers on permanent basis. This includes those with high passes in secondary school certificate (C-plain) or advanced secondary certificate pass. The CDF in the financial year 2008/2009 managed to perform 60% automation which included purchasing of new servers, embarked LAIFOM programme, purchased new computers in all administrative offices and serviced the old ones which were taken to the areas of need and finally extended its LAN network (local area network) to the new office block which never had it.

4.3.2 Performance Contracts and motivation of employees.

This is where the respondents were to tick points they agreed, whether the contribution of performance contracting in their CDF or their place of work. Here, all the respondents successfully and in the right form gave views as in the Table 13.

Question	Tick		Not Ticked		Total (f)
	Frequency	Percentage (%)	Frequency	Percentage (%)	
Enhanced customer relation building	29	54.7	24	45.3	53
Inform Customer on quality	29	54.7	24	45.3	53
Ensure quality labour control measures and service maintenance	42	79.2	11	20.8	53
Ensure the staff involved in the organization are highly motivated	16	30.2	37	69.8	53
Ensure decision making relation to customer needs are effectively carried out	31	58.5	22	41.5	53
Help in identification and determination of customer needs.	33	62.3	20	37.7	53

Table 13: The Performance of PC towards service delivery.

(Source: Primary data 2014).

The compiled results show that 54.7% of the staff does agree that performance contracts have enhanced customers' relation building. A total of 54.7% also agree that performance contracts have informed the customers of the quality of goods offered at Lurambi CDF. The interviews by the heads of departments show that the CDF was determined to implement the customer service delivery charter which would improve the quality of labour, services accountability and the management process. After the customer service delivery charter, the CDF undertook a customer satisfaction base line survey which looked on how to improve the quality of service offered to its consumer among other issues raised, was the quality of the toilets hence the financial year 2010/2011 the CDF undertook to modernize and develop new public toilets beginning..

It was also noted that only 69.8% of the respondents agreed that performance contracts had very little element of staff motivation if present to be felt by the employees, 79.2% of the respondents agreed that performance contracts ensured quality labour control measures and services

maintenance. This was evident during an interview with the heads of departments, that performance contracts never had a properly defined way of rewarding specific exemplary behaviour and also the motivation of the workers, but they said talks were underway to introduce the reward and motivation of the employees.

It was also welcomed that performance contract greatly assisted in quality labour control measures and quality service maintenance where by the CDF out of the performance contracts initiatives managed to automate their services by 60 % and also awarded 60% of the ISO certification process. This is where by the CDF managed to train its top and middle level management on ISO by Kenya Bureau of standards

It was also agreed that performance contracts ensured the decision making relation to the customer needs are effectively arrived at and identification plus determination of customers' needs is well done. This is evident by the by the 62.3% of the respondents who agreed on the question. It was noted during the interview from the top managers of the departments that these results are so because of its determination to implement the customer service delivery charter.

4.3.3 Participation in decision making.

The researcher was interested in knowing whether a performance contract has in any way affected the participation in decision making. The table 14 shows the finding of the investigation.

Participation in Decision making	Frequency	Percentage (%)
Strongly Agree	9	17
Agree	22	41.5
Undecided	7	13
Disagree	11	20.7
Strongly Disagree	4	7.3
Total	53	100

Table 14: Participation in decision making (Source: Primary Data 2014).

The employees and staff of Lurambi CDF were asked to find out if they participated in the decision making process affecting their work. It was discovered that 4 out of 53 employees strongly agreed that they are involved in decision making process which was 17% of the whole respondents, 22 employees summing up to 41.5% agreed, 7 employees were undecided, 11 of the respondents which was 20.7% disagreed, on their involvement in decision making process, 4 strongly disagreed on their involvement which summed up to 7.3% of the respondents. This meant that 31 out of 53 agreed they participated in decision making process as pertaining their job.

It was noted from the managers that performance contracting insisted that a worker must participate in the setting of his/her targets according to the set guidelines so it meant they had to be involved in decision making process.

4.3.4 Opportunity to suggest involvements.

The opinion of the respondents on whether they are given a chance to suggest improvement was as follows in table 15.

Opportunity to suggest improvement	Frequency	Percentage (%)
Strongly Agree	9	17
Agree	27	50.5
Undecided	2	4
Disagree	13	24.5
Strongly Disagree	2	4
Total	53	100

Table 15: Opportunity to suggest involvements.(Source: Primary data 2014).

It was evident that 17% of the employees strongly agreed on their participation in suggesting improvement. 2 employees equivalent of 4% strongly disagreed on participation to suggest improvements. It was generally concluded that about 67.5% of the employees agree on their participation to suggest improvements. It becomes important for the quality of labour and service to improve suggestion must come from both managers and the employees themselves. This is agreeable with (Lienert, 2003) who argues out that the worker should be given some latitude and space to own his assignments. This makes him do it as if he/she is doing personal and private duty hence give a better quality service which increases output.

4.3.5 Participation in Goal and Objective Setting.

The result advanced by the staff and employees of Lurambi CDF is as follows.

Participation in Goal and Objective Setting.	Frequency	Percentage (%)
Strongly Agree	5	9.4
Agree	35	66
Undecided	2	3.8
Disagree	9	17
Strongly Disagree	2	3.8
Total	53	100

Table 16: Participation in Goal and Objective Setting.(Source: Primary data 2014).

It was found out that 5 employees strongly agreed on their participation and setting of the goals and objectives, for their job, which was 9.4% of the respondents, 35 of the staff and employees of Lurambi CDF which was 66% of the staff agreed, 3.8% of the staff was undecided, 17% of the

respondents disagreed and finally 2 employees equivalent of 3.8% strongly disagree with that opinion. This means that 40 workers out of 53 agreed that they do participate in goal setting and objectives. This shows that performance contract has managed to increase the quality of labour and service, by allowing workers participate in goal and job objective formulation processes indicated in the RBM guide 2004.

4.3.6 Access to the Information needed to make good decision.

Lurambi CDF employees and staff members advanced the information below on the access to the information needed for one to make good decision in table 17.

Access to the Information needed to make good decision.	Frequency	Percentage (%)
Strongly Agree	13	24.5
Agree	19	35.8
Undecided	4	7.5
Disagree	13	24.5
Strongly Disagree	4	7.5
Total	53	99.8

Table 17: Access to the Information needed to make good decision.
(Source: Primary data 2014).

It was evident that 60.3% of the respondents agreed that they access information needed for good decision making process while 24.5 disagree on their access to information needed for good decision while 15% of the respondents were undecided on the same issue. This high percentage means that most staff can access information that is vital for any good decision making process. This information included recorded information, journals, seminars, workshops and various exchange programs with other well doing CDFs in the world.

4.4 Performance contract and Capacity Building

The researcher went to the field and the following data on capacity building allowed as one gained more expertise. It is represented in table 18.

Allowed capacity building as one gained more expertise.	Frequency	Percentage (%)
Strongly Agree	7	13.2
Agree	27	50.9
Undecided	2	3.8
Disagree	13	24.5
Strongly Disagree	4	7.5
Total	53	100

Table 18: Allowed Capacity building as one gained more expertise. (Source: Primary data 2014).

It is evident that 64.1% of the respondents agreed that they are given more latitude as they gained expertise in their working., while 32% of the respondents believe that there is no or less latitude is given to them as they gained more expertise and lastly around 3.8% of the respondents were undecided on this issue. This could simply mean that to a good extent are the staffs given latitude as they gained expertise.

During an interview with the several heads of departments, it was confirmed that limited latitude allowed to the labour may reduce to a large extent the quality of labour and service delivery the CDF offers to its customers. It came out clear that CDF had contracted (Pert Consultants- Human resource consultants) in the financial year 2009/2010 to carry out a survey on the employee performance development and working conditions which gave recommendation on how to give the employee chance to develop as they gained expertise which was to be implemented in the financial year 2010/2011.

4.4.1 Respondents view on whether performance contracts have changed a lot that affects capacity building and service delivery.

The researcher was also interested to know the views Lurambi CDF staff members and employees on various factors that have changed or not changed as a result of the introduction of performance contracts.

Performance contracts changed work content	Frequency	Percentage (%)
Agree	18	75
Disagree	6	25
Total	24	100

Table 19: Performance contracts changed work content.

(Source: Primary data 2014).

The results show that 18 respondents or 75% agreed to the fact that performance contracts had changed the work content. While about 25% of the respondents 6 in number believe that performance had changed the work content. The researcher believes that work content remains a key issue to measure performance including the quality of labour and service delivery of CDFs. In Particular, the work content should remain as it is, so as the introduction of performance contracts can be seen whether its working or not, whether it affects the quality of labour and service delivery or not. This is seconded by (AAPAM 2005) which notes that performance contract should not in any way change the work content.

4.4.2 Respondents view on performance contracts ensuring variety of job responsibilities (no job monitoring and too much repetition).

The researcher was also interested to know the views of Lurambi constituency staff members and employees on whether performance contracts have ensured variety of job responsibilities. The results shown in table 20 are as follows;

Performance contract and job variety	Frequency	Percentage (%)
Agree	31	58.5
Disagree	22	41.5
Total	53	100

Table 20: Performance contracts ensuring job Variety. (Source: Primary data 2014).

Figure 4 --: Performance Contracts and ensuring job variety responsibilities.

The results show that 58.5% of the respondents agree on the assertion that performance contracts has assisted Lurambi CDF in having a variety of job responsibilities which meant that there is no job monitoring and repetition (GOK RBM manual 2004).

This shows that with no job repetition, an employbee's output can clearly be seen and measured without any contradiction or doubt, hence in case of reward for good performance one can be rewarded without biasness or malice. It is important to note that all departments are interdependent on one another. While 41.5% of the employees had a feeling that to some extent there is no or less job monitoring, leading to repetition. It was seen during and after the interview with heads of management that job repetition causes much job boredom and clash of responsibilities hence it did much to clearly define ones duties and demarcate where ones mandate begun and ended.

Performance contracts have improved the degree of independence in job roles.	Frequency	Percentage (%)
Agree	35	66
Disagree	18	34
Total	53	100

Table 21: Improving degree of independence in the job roles.(Source: Primary data 2014).

A total of 35 respondents which is equivalent to 66% agreed to the fact that there has been an improvement in the degree of independence in the job roles, while 18 respondents an equivalent of 34% of the sampled population disagreed of there being any improvement in the independence of job roles.

Therefore 35 out of 53 respondents agreed to the fact that performance contract has played a major role in improving the degree of independence in the job roles. The 53 views collected show that all respondents correctly filled questionnaire according to the instruction put forward

4.4.3 The employees and staff members view on their workforce of organization success.

Lurambi CDF staff members and employees advanced the information below on whether performance contracts tried to ensure that all employees work for the success of the organization.

The summary is as shown in table 22;

Ensure that employee work for the success of the organization	Frequency	Percentage (%)
Agree	38	71.7
Disagree	11	20.7
No answer	4	7.5
Total	53	100

Table 22: Employees' work for the success of the organization.(Source: Primary data 2014).

The compiled results show that 71.7% of the respondents agree on the statement that performance contracts have played a significant role in ensuring employee work for the success of the organization but 20.7% disagreed. The total number of the respondents was 53 but the researcher managed to get 49 responses. From which one respondent's answers were agreeing and disagreeing hence it became contradictory in nature while one respondent totally never attempted the questions. This means that the high response rate shows the staff members and employees of Lurambi CDF agree that performance contract have greatly assisted to ensure employee work for the success of the organization which was seconded during the interview with the managers and the heads of departments. This greatly assists in the improvement in the quality of labour and service delivery.

The investigator surveyed on the possibility of work assignment done by all employees being unfairly done or whether it was fairly done. The results are as shown in table 23.

Ensures that work assignment done fairly by all employees	Frequency	Percentage (%)
Agree	31	58.5
Disagree	20	37.7
No answer	2	3.8
Total	53	100

Table 23: Respondents view on work assignment fairly done by all employees.(Source: Primary data 2014).

It was found out that 58.5% of the respondents agree that all employees work and assignments are fairly done to the success of the organization, while 37.7% of the staff members and employees disagreed with that statement. The total number of respondents was 53 but the researcher only managed to get responses from 51 respondents. The two questionnaires were left blank making the researcher not able to compile the results. The response was slightly above average showing that most employees ensure that work assignments are fairly done. The researcher believes that once work assignments are fairly done, the quality of labour and service delivery will greatly improve. This is strongly supported by RBM Guide 2004 which notes that work assignments done improve the quality of service delivered.

4.4.4 Performance contracts ensure that employees' duties are well defined and worthwhile.

Lurambi CDF employees released the following information on whether or not performance contracts have assisted in well definition. The results are shown in table 24 below.

Performance contracts ensure that employees' duties are well defined and worthwhile.	Frequency	Percentage (%)
Agree	35	66
Disagree	18	34
Total	53	100

Table 24: Performance contract ensuring that employee duties are well defined and worthwhile.

As observed in table 24, 66% of the participants agreed on the idea that performance contracts has assisted employee in the well definition of duties. 34% did not agree on the idea that performance contracts has assisted in the well definition of duties. The researcher believes that well definition of duties greatly assists in the measuring and improving the quality of labour and service delivery.

4.4.5 Changes realized after adoption of PC in the CDF.

The investigator was interested in knowing some of the major changes that happen to the quality of labour and service delivery of Lurambi CDF after the introduction of performance contracts especially in financial stewardship.

4.4.6 Increased Revenue Collection

The researcher sought to answer the question onto whether there was increased revenue collection after the introduction of performance contracts.

The summary is shown in table 25.

Increased Revenue collection	Frequency	Percentage (%)
Agree	46	86.8
Disagree	7	13.3
Total	53	100

Table 25: Increased Revenue Collection.

The researcher observed that there was an increase in revenue collection after the introduction of performance contracts. This is evident by the 86.8% response who agreed on this stand. The physical count shows that they were 46 out of 53 respondents. Only 7 respondents disagreed on the increased revenue collection after the introduction of performance contracts. This meant that performance contracts must have had a significant contribution to the increased revenue.

During the interview with the heads of department and the observation and analyzing of the financial documents, it was seen that the revenue collected had increased. It was noted that Lurambi CDF gets its revenue from property / land rates, plot rent, single business permits, cases and royalties, house rents, market and slaughter house charges, bus park fees and finally building plan approval charges. Due to political disturbances, the CDF never in revenue.

4.4.7 Respondents view on the cost reduction.

The researcher asked the participants whether there was any reduction in cost production and increase savings after the introduction of performance contracts. The answer were as follows in table 26.

Cost Reduction /Savings	Frequency	Percentage (%)
Agree	42	79.2
Disagree	11	20.8
Total	53	100

Table 26: Cost Reduction.

It is observed from table 26 that there are much savings realized after the introduction of performance contracts. This was seen by the 79.2% response which accepted the fact that there has been a cost reduction and an increased savings visa- vie the 20.8% which denied the possibility of there being any cost reduction or savings. RBM guide 2004 describes cost reduction was " an effective measure that assures that more is achieved for less without sacrificing quantity, quality and standard"

The researcher went further to interview the heads of department and analyzed the documents available it was evident that cost had reduced and the expenditure records show that the council

reduced its expenditure by Ksh. 500,000 during the financial year 2009- 2010. The table 27 shows the cost reduction against the expected expenditure in the financial year 2008-2009.

Cost of items	Actual Ksh 2008/2009	Target
Petrol and Lubricants	540,000	400,000
Repair and Maintenance	340,000	600,000
Office supplies and Stationery	180,000	100,000
Telephone and Postage	120,000	50,000
Traveling and Subsistence	1,500,000	700,000
Bank charges	---	250,000
Savings from Procurements	---	100,000
Total	2,680,000	2,200,000

Table 27: Cost Reduction and Increased Savings.(Source: Primary data 2014).

It also came out clearly that the CDF was not able to cut the cost of fuel in the financial year 2008/2009, due to imported and demand pull inflation was evident by the scarcity of fuel where prices sky rocketed to abnormal prices hence increasing the cost of production.

However in the financial year 2009/2010, the following resulted the cost cutting in the expenditure of Lurambi CDF. It encouraged the economical use of paper for example through the back to back printing and re-use where necessary , the introduction of ceiling cards brought down telephone charges while the use of email and fax as a medium of communication brought down postage charges. The CDF staff used more public transport when traveling hence saved on fuel costs. This led to the overall reduction total cost and increased saving without comprising quality and standards.

4.4.8 Respondents view on utilization on funds on programmed activities.

The researcher wanted to know whether the funds available are used on the programmed activities. The results are seen in table 28.

Utilization of funds on programmed activities	Frequency	Percentage (%)
Agree	44	83
Disagree	9	17
Total	53	100

Table 28: Utilization of funds on programmed activities.(Source: Primary data 2014).

It is observed in table 28 that 83% of the respondents agreed that the revenue collected was used on programmed activities while 17% of the respondents disagreed with that opinion.

During the interview with the heads of departments, it came out clearly that due to high turnover of chief officers, the tender process and award of contracts delayed and as such , the CDF only

managed to attain 80% implementation of their targets in the financial year 2008/2009. It was emphasized that the CDF had achieved this through adherence to annual work plan and the procurement plan strictly followed.

4.4.9 Non-Financial Factors.

The researcher tried finding out the non-financial changes that have been realized after the adoption of performance contracting in the following criteria. RBM 2004 defines non-financial factors as "a criterion used to address standards that have direct bearing on financial outcomes but cannot be directly quantified in monetary form"

4.4.10 Compliance with Strategic Plan.

It was realized according to table 29 that over 75% of the respondents agreed that performance contracts helped them to comply with the strategic plan while 25% of the respondents disagreed on the compliance with the strategic plan.

Compliance with the strategic plan	Frequency	Percentage (%)
Agree	18	75
Disagree	6	25
Total	24	100

Table 29: Compliance with the strategic plan.(Source: Primary data 2014).

During the interview with CDF heads, it was discovered that the strategic plan 2008/2009 was reviewed through the engagement of opinion poll and data collection, engagement of consultants in the review process and consult workshop with stakeholders. This made it possible to compile a workable strategic plan for Lurambi CDF. The RBM guide 2004 defines compliance with strategic plan as "it measures the extent to which agencies implement activities outlined in the strategic plan implementation matrix during a contract period."

4.4.11 Respondents view on ISO certification

The researcher sought to find out whether the products and services of Lurambi CDF were ISO certified to show a mark of high Quality. It was evident in table 30 as shown.

ISO Certification	Frequency	Percentage (%)
Agree	46	86.7
Disagree	7	13.3
Total	53	100

Table 30: Respondents view on ISO certification.(Source: Primary data 2014).

It is observed in table 30 that 86.7% of the respondents agreed that Lurambi CDF goods and services were ISO certified while 13.3% of the respondents said that its goods and services were not ISO certified.

This was fully supported by the heads of department who said that during the financial year 2007/2008, the Lurambi CDF managed to train its top and middle level management on ISO by the Kenya Bureau of Standards. This was awarded 30% of the ISO certification process. In the financial year 2009/2010, the CDF took its staff and employees on labour awareness programme. Later the appointment and training of corporate team and consultants to assist in the management of its services which made the CDF have 60% ISO certification. These factors contributed to high positive results. This is in line with the Economic recovery and wealth creation strategy 2003. "ISO certification ensures that operations and management are benchmarked to the best international practices as attested by certification by a reputable international standards accreditation institution. The process helps to re-engineer management processes thereby making them efficient. It also helps to create competitive advantage in the public service".

4.4.12 The staff and employees opinion on development of corruption eradication structures.

The results to this question were in table 31.

Development of Corruption Eradication Structures	Frequency	Percentage (%)
Agree	13	24.5
Disagree	40	75.5
Total	53	100

Table 31: Development of Corruption eradication measures.
(Source: Primary data 2014).

It is observed in table 31 that about three quarters of the respondents agreed that performance contracts had not put in place enough corruption eradication strategies and structures while about a quarter of the respondents believed that performance contracts had put enough corruption fighting strategies.

Corruption remains a co-factor in the assurance of quality of labour and service developed by the CDF. During the interview, it came out that the CDF had set in place a plan to fight corruption because it was a major set up to their quality of labour and service developed. It came out clearly that the CDF had a plan to implement the following measures in the financial year 2010/2011 to train its anti-corruption policy, develop a code of conduct for staff members and employees, operationally corruption prevention activities, sensitization on corruption matters in all council meetings, submit quarterly reports of Kenya Anti-corruption Commission and finally attaining title

deeds for all CDF offices, that is to say, headquarters, and residential houses at. This was seen to contribute to the results and the measures were in line with (GOK ERSWEC 2003)

4.4.12 Project implementation

Projects refer to "both physical and non-physical undertakings. Non-physical projects may include investments with returns which are long term in nature e.g. Training and capacity building. Acquisition/ construction plant and equipment also qualify under this category. Projects are normally the key indicators of improved quality of labour and service delivery. "The higher the quality project, the higher the service offered"(Martin, 2000). The researcher sought to find out the respondents' opinion on various aspects about the projects set up with Lurambi CDF.

4.4.13 Respondents view on quality of Projects.

The table 32 shows the results to the respondents view on the quality of the projects

Quality of Projects	Frequency	Percentage (%)
Agree	31	58.5
Disagree	22	41.5
Total	53	100

Table 32: Respondents view on the quality of Projects.(Source: Primary data 2014).

It is observed that most projects set up are of high quality. This was evident by the 58.5% who agreed while 41.5% of the respondents believed that performance contracts had not affected the quality of the projects hence quality was still doubted. This was in line with RBM guide- Kenya 2005, which insists that the specified quality of the project should be met

4.4.14 Respondents view on cost efficiency of projects and their relevance

The researcher sought to find out whether the projects set up by Lurambi CDF were relevant and cost effective. This is because the quality and type of projects set contribute greatly to the improved quality and service delivery at CDFs. The table 33 shows cost efficiency and relevance of projects are as follows.

Cost efficiency of projects	Frequency	Percentage (%)
Agree	29	54.7
Disagree	24	45.3
Total	53	100

Table 33: Cost efficiency of Projects.(Source: Primary data 2014).

Respondents Opinion on Relevance of Projects	Frequency	Percentage (%)
Agree	45	84.9
Disagree	8	15.1
Total	53	100

Table 34: Relevance of Projects. (Source: Primary data 2014).

It is observed in tables 33 and 34 that most projects set-up was relevant and cost effective. This means that most projects assisted in reducing the cost of production and they were very necessary to the users because they were able to meet their core mandate and objectives. This was very necessary to the users and the cost effective as its ultimate cost was within the budget. This was seen by 54.7% respondents who agreed to the fact that the projects were effective and the 84.9% of the respondents disagreed on cost efficiency of projects while 15.1% disagreed on the relevance on projects. Hence the high percentage of respondents accepting means the projects are highly cost effective and relevant to its mandate.

4.4.15 Respondents Opinion on the Completion Rate of Projects.

The results in table 35 show the respondents' view on completion rate of projects.

Completion Rate of Projects	Frequency	Percentage (%)
Agree	33	62.3
Disagree	20	37.7
Total	53	100

Table 35: Completion rate of projects.(Source: Primary data 2014).

It is observed in table 35 that there is a high completion rate of projects as evident by the 62.3% respondents who agreed with the fact while only 37.7% of the respondents rejected this fact. The researcher believes that unless projects are completed, the funds used are not well utilized since uncompleted projects may not be able carry out its mandate especially in improving the quality of labour and service delivery.

During the interview with the management team, it came out clearly that the CDF planned to put in more emphasis on its projects by hiring qualified project managers who would then work with private consultants especially in projects budgeted for the financial year 2010/2011 to put more emphasis on timelessness of the projects, quality of the project, relevance of the project, cost efficiency and the completion rate of projects. This supported the answers gotten from the questionnaires had a positive correlation with the demands of (OECD 1999).

4.4.16 Respondents view on Customer Service Delivery Charter

The researcher sought to find out whether the customer delivery charter was implemented. The results are shown in table 36.

Implementation of customer service delivery charter	Frequency	Percentage (%)
Agree	31	58.5
Disagree	22	41.5
Total	53	100

Table 36: Customer Service Delivery Charter.(Source: Primary data 2014).

The investigator found out that the respondents agreed with the point that Lurambi CDF implemented the customer delivery charter which ensured the quality of services offered to the CDF was 58.5% of the respondents, agreeing to the fact that Lurambi CDF implemented the customer service delivery charter while only 41.5% denied the possibility or any implementation of the customer service delivery charter. This means that the high percentage shows the implementation of the customer service delivery charter. The customer service delivery charter involves " The displaying of the charter prominently at the point of entry or service delivery points and both in English and Kiswahili, public launching and rolling out, sensitizing employees and cascading to all levels including the grassroots institution" (ERS-GOK 2003) policy document.

4.5 Reward for good performance and elimination of unfair appraisal process and employees

Accountability is a key aspect in organization performance. Meaning the employee should be responsible for their actions and their departments, fair appraisal, trust in their superior and having a vision that is well understood to all employees.

4.5.1. Performance Contracts and Employee motivation

Staff Appraisal Process and Employee Reward	Frequency	Percentage (%)
Strongly Agree	4	7.5
Agree	18	34
Undecided	2	3.8
Disagree	22	41.5
Strongly Disagree	7	13.2
Total	53	100

Table 37: Appraisal process and employee reward. (Source: Primary data 2014).

The table 37 shows the respondents view on this question. It was evident that there is little or no reward for good performance as shown in the results. This was because about 54.7% of the

respondents denied being rewarded for good performance and actually admitted to unfair appraisal practices. But only 41.5% of the staff of Lurambi CDF respondents believes that there was fair appraisal process and reward for good performance.

The researcher is of the opinion that once there is reward for good performance, it may motivate the workers to work more of and fair appraisal process of employees encourages workers to work in order to get benefits.

During an interview with the top management team and heads of department, it was evident that there was high political interference in the staff appraisal process and reward system. But about a bill was presented by the Deputy Prime Minister and Minister for Local Government seeking to give the management power to reduce or eliminate political interference hence to promote accountability by clearly defining their roles of employees'.

4.5.2 Vision and Working under Minimal Supervision.

This question targeted at finding whether performance contract has enabled the staff and employee of Lurambi CDF to have a vision and work under minimal supervision. Summary of the findings are as shown in the table 38.

Have a Vision and Work under Minimal Supervision	Frequency	Percentage (%)
Strongly Agree	9	17
Agree	27	50.9
Undecided	2	3.8
Disagree	11	20.8
Strongly Disagree	4	7.5
Total	53	100

Table 38: Having a vision and minimal supervision.(Source: Primary data 2014).

A total of 9 respondents which was 17% strongly agreed that performance contracts has enabled them to have a vision and work under minimal supervision, while 27 respondents equivalent to 50.9% agreed, strongly disagreed were 4 respondents which was an equivalent of 7.5% while 11 of the staff disagreed which was an equivalent of 20.8%. This clearly shows from the high percentage that performance contracts have enabled workers to work under minimal supervision and have vision. This promotes self accountability in the organization hence improving labour and service delivery.

4.5.3 Setting of standards and building effective relationship with other departments.

It is observed from table 39 that about three quarters of the Lurambi CDF staff members and employees admit of there being set standards and a well built relationship with other departments, less than 25% of the employees denied this fact.

The researcher believes that for proper accountability standards must be set and effective relationship built with other departments. It is also noted in Martin & Kettener 1996 that "setting standards for performance creates competency development which brings about skill and competence needs assessment, monitoring and evaluation intervention programs assessment of career progression" which leads to proper and better accountability practice.

Setting of Standards and building effective relationship with other departments	Frequency	Percentage (%)
Strongly Agree	31	58.5
Agree	7	13.2
Undecided	4	7.5
Disagree	9	17
Strongly Disagree	2	3.3
Total	53	100

Table 39: Setting of standards and building effective relationship with other departments.

4.5.4 Everyone being accountable for individual and departmental actions.

The researcher sought to know whether performance contracts assisted the employees to be accountable for their actions and the actions of their departments. The results are shown in table 40 and figure.

Accountability for individual and departmental action	Frequency	Percentage (%)
Strongly Agree	20	37.7
Agree	11	20.7
Undecided	2	3.8
Disagree	13	24.5
Strongly Disagree	7	13.2
Total	53	100

Table 40: Accountability for individual and departmental actions.

The researcher realized that 58.4% of the employees and staff respondents of Lurambii CDF agreed that everyone is accountable for his action and the outcome of his department's performance. Only 37.7% denied responsibility of this fact. Its also important noting that 3.8% of the staff was undecided.

The researcher believes that for any proper accountability process, all employees and staff of any organization must be accountable for their action and their department's performance as noted in (ERSWEC GOK 2003).

4.5.5 Trust on Superiors as they develop workable plans to achieve key Goals.

The researcher collected data on whether performance contracts gives the employees and staff of Lurambi CDF trust with their superior as they develop workable plan to achieve key goals and came up with the following information. Table 41 summarizes the findings.

Trust of Superiors in developing plans to achieve key goals	Frequency	Percentage (%)
Strongly Agree	11	20.8
Agree	29	54.7
Undecided	4	7.5
Disagree	7	13.2
Strongly Disagree	2	3.8
Total	53	100

Table 41: Trust on Superiors by the employees.

The result of the study shows that 75.5% of the staff has confidence in their superiors and only 17% had no trust in their superiors while 7.5% were undecided with the views of the respondents it was evident that most staff and superiors in developing plans and key goals of the organization which greatly assisted in the harmonious working and implementation hence increasing the level of accountability at CDF.

During the interviews with head of each department, it came out clearly that the CDF depended highly on the superior for information from the worker, for example, grievances and what they needed, hence confirmed the trust that employees have on their superiors.

4.6 Performance contracting and Monitoring And Evaluation

Performance contracting is considered to be vital in performance management. It can be known as the result based management practice. Management among other things looks at the organizational monitoring and evaluation process, the staff appraisal process of employees and work plans.

4.6.1 Respondents' position on Lurambi CDF mission, Vision and Operational Objectives being understood by all Employees.

Respondents' position on Lurambi CDF mission, Vision and Operational Objectives being understood by all Employees.	Frequency	Percentage (%)
Yes	33	62.3
Undecided	2	3.8
No	16	30
No Answer	2	3.8
Total	53	100

Table 42: Respondents' position on Lurambi CDF mission, Vision and Operational Objectives being understood by all Employees.

The compiled results show that 62.3% of the respondents agreed that they have knowledge of the CDF's vision, mission business and operational objectives. 3.8% were not decided on the issue while 30% disagreed on that fact the total number of respondents was 53. The high percentage of response shows that most employees are aware of the CDF's vision, mission, business and operational objectives of the CDF. Hence it plays a key role in improving the management process because all workers and staff have a common goal.

During the interviews and observations, it was clear that vision, mission and core values were placed in most places including all offices and most places including all offices and reception. The vision stated;

"To promote our rich heritage and enhance eco-friendly development"

The mission stated;

"To provide quality services in collaboration with stakeholders in ensuring equitable and sustainable utilization of available resources"

The core values were;

"Good governance, integrity, teamwork, equity, client focus, transparency and accountability, partnership and environmental conservation,"

Hence this contributed to the outcome of the results hence the vision and mission contributes to good management practices.

4.6.2 Management's Encouragement and reward of specific behaviour for Business

Reward for specific behaviour especially good or bad is necessary for encouraging courteous virtues and exceptional behaviour especially leading to good performance of the organization. It is observed in table 43 and figure --- as follows.

Reward for specific and exceptional behaviour.	Frequency	Percentage (%)
Yes	16	30.2
Undecided	7	13.2
No	30	56.6
Total	53	100

Table 43: Reward for specific and exceptional behaviour.

The results show that 56.6% of the respondents refused there being reward for exceptional performance contracts, while 13.2% were undecided and lastly 30.2% of the respondents did agree that there is reward for exceptional performance. The high response percentage shows that Lurambi CDF has little or no reward for specific exceptional behaviour toward work.

It came out during the interview with the heads of department that Lurambi CDF and performance contract manuals never came up with clear measures and methods of rewarding employees but they hope to introduce it in the next financial year 2010/2011. Martin & Kettener 1997 agree that staff motivation is a key aspect to increased performance of employees in any organization.

4.6.3 Sharing of Business Results and Strategies with employee in Regular Basis.

The results for this question are in table 44 and figure -

Sharing of Business Results and Strategies with employee in Regular Basis.	Frequency	Percentage (%)
Yes	29	54.7
Undecided	7	13.2
No	17	32.1
Total	53	100

Table 44: Sharing of Business Results and Strategies with employee in Regular Basis.

It was noted that slightly more than a half of the respondents agreed that the management shares business results and strategies with employees on regular basis which was 54.7% while 32.1% of the respondents did not agree while 13.2% of the respondents were undecided on this issue. This results show sharing of business strategies and results which is supported by AAPAM 2005 that insists that employees are to constantly inform of both personal and organizational performance to create positive reinforcement where there is good work and improvement where performance is below the required limits.

4.6.4 The Management seeking feedback from client with a view of improving these products.

The researcher also gained interest in the views of Lurambi CDF staff on whether the office seeks feedback from clients and customers on services offered to them. Table 45 summarizes the findings.

The Management seeking feedback from client with a view of improving these products.	Frequency	Percentage (%)
Yes	31	58.5
Undecided	4	7.5
No	18	34
Total	53	100

Table 45: The Management seeking feedback from client with a view of improving these products.

The question was asked to 53 employees and respondents. All the respondents indicated their opinion over this issue. According to the results, 58.5% of the employees believed that Lurambi CDF actively seeks feedback from clients and customers with the aim of improving its products and customer satisfaction. 34% did not agree with this opinion while 7.5% were undecided. This result implies that Lurambi CDF seeks feedback with a goal of improving its products and its services.

During an interview with the heads of departments, it was clear that Lurambi CDF conducted a customer satisfaction baseline survey in the financial year 2008/2009 where the Price Waterhouse Coopers consultants carried out the survey. Its aim was to find out the feedback of customer on the quality of service offered Lurambi CDF. This confirms the management seeks feedback from clients with an aim of improving its services and strongly supported by Martin 2000.

4.6.5 Employee Performance Feedback.

Employee Performance Feedback.	Frequency	Percentage (%)
Yes	14	26.4
Undecided	4	7.5
No	31	58.5
No Answer	4	7.5
Total	53	100

Table 46: Employee feedback

It is observed from table 46 that the management of lurambi constituency development fund was not disciplined with employee feedback. This was so because of the 58.5% who denied this fact, 7.5 were undecided while 26.4% believed that the management of the CDF projects was disciplined to the employee performance feedback and appraisal. This results show that management is keen to implement the employee performance feedback which is not in agreement with Brown and Potoski, 2001 who insists employee feedback delivers vital information and what is on the ground for evaluation and action.

4.7 Review

This chapter covered the presentation, analysis and interpretation of collected data. Findings on performance contracts effects on the management, accountability and quality of labour and service delivery have been presented. It collected views from seven heads of department who were interviewed and their response recorded, and other views collected through questionnaires, observations and analysis of documents.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter represents the summary of findings, conclusion and recommendations of the results from chapter four as related to the views of scholars in the literature review and the background of the study. The summary and discussion given in this chapter, aim at answering the research questions. The conclusion reached is based on the discussion of the findings. The recommendations are made from the conclusion. The areas of further research have been arrived at emanating from the questions in the entire study.

5.2 Summary of findings

The first objective was to examine the influence of performance contracting on service delivery of CDF managed projects. Data analysis and interpretation of observation and questionnaires responses from the 7 managers and 53 employees revealed that, though performance contracts had a problem in motivation of the employees several major achievements had been realized since its inception. This finding indicate that though the sponsored training of several staff member every year to improve skills and training in tertiary colleges and universities, training of the top and middle level majors that made them 60% ISO certified, increase revenues and reduced costs this marked major achievements of performance contract in local authorities.

The second objective was to find out whether capacity building improves delivery of quality services in the lurambi CDF managed projects. data analysis and interpretation of observation and questionnaires responses from the seven managers and 53 employees revealed the following major findings under this objectives moreover it has been revealed that performance contracting has greatly increased the revenue collected, reduced costs hence more savings, improved development index, high quality projects and high rate of completion. This has been by the tables present, shown by more than half of the respondents believing that performance contracting has enhanced proper utilization of the available funds by the council.

The analysis and interpretation of findings pointed out that most projects set up by Lurambi constituency fund are cost efficient; this was evident by the high number of respondents who agreed with this idea in the table in chapter four the high percentage shows that the projects set up

serve very right purpose and needs of the people at the same time their output and benefit is more compared to the cost of setting up this project.

The third objective was to determine whether reward systems used influence service delivery in Lurambi CDF managed projects. Data analysis and interpretation of observation and questionnaires responses from the 7 managers and 53 employees revealed the major findings. The academic profile of the respondents showed that staff members and employees of the Lurambi CDF managed projects were well trained and the findings gathered in table 4.6 similarly show that a large number of the staff have experience of more than five year as seen that over 65% of the staff have more than 5 years working experience. This means they have more and enough experience to assist them in improving accountability process, quality of labour and service and finally the management process assigned to them.

The fourth objective was to find establish the influence of monitoring and evaluation on service delivery in the Lurambi CDF Managed project. Data analysis and interpretation of responses from the employees and managers revealed the following major findings the respective tables shows that about 68.5% and 66.5% of the employees interviewed agreed to the statement they participate in decision making and are given an opportunity to suggest improvements their job areas. This represent a positive trend to proper management process and improved quality of labour and service delivery since most staff will be able and will feel part of the success of the organization hence offer better labour and service.

No rewarding of good performance and unfair appraisal was evident hindrance to quality as seen in the respective tables over a half of the respondents admitted having little fairness in appraisal process which makes the employee loose moral and may contribute to the demotivation of workers.

Finally, the findings emerged that performance contracts has several successes but more has to be done to make local authorities be better managed, more accountable and increase the quality of labour and service offered to consume of the local authority.

5.3 Conclusion

This study investigated the influence of performance contracting on service delivery in the CDF managed projects. It was intended to investigate the changes that have taken place after the introduction of performance contracts in local authorities. This was in relation to the view that employees in public service were viewed as havens of corruption, poor labour and low quality services offered to consumers and as an institution with one of the poorest management process.

Performance contracts can be seen to be of great benefits once improvements are made on the staff appraisal process, motivation of workers, and put in place corruption eradication measures.

The study sought to answer specifically the following questions.

1. Does comprehensively developed work plan better service delivery in lurambi CDF managed projects?
2. Does capacity building and skills development improve service delivery in the lurambi CDF managed projects?
3. Is service delivery in the lurambi CDF managed projects influenced by the reward system in place?
4. How does monitoring and evaluation of CDF managed projects in lurambi constituency influence service delivery?

From this study the researcher established that performance contracts to a greater extend managed to achieve its objectives. Therefore, the researcher believes that performance contracts should be more developed in its agenda not only to set targets in jobs but to also improve other areas of concern for the better quality of labour and service delivery, good management practices and proper accountability mechanisms in local authorities.

5. 4 Recommendations

After the completion of the study on the effects of performance contracts on labour and service delivery in local authorities some recommendation were formulated on the basis of the findings obtained, so as to help Lurambi CDF managed projects to improve in labour and service delivery.

- 1) Proper reward systems should be developed for employees who meet the set targets in the earliest time and those of exceptional performance leading to organizational success.
- 2) Consultations should be made to develop proper staff appraisal formula that would be communicated and understood by all employees, this mainly to assist workers get fair appraisal and trust.
- 3) Strengthening of the already established corruption eradication organs in the organization to fight the vice in all sectors of the organization. Developing awareness programmes to the client to what is expected of them and their role to fight against corruption.

- 4) Gender sensitization programme and enacting gender balance laws and by_ laws to enable both male and female compete favorably in departments like engineering and enforcement to enhance quality service to the people.

Performance contracts should not be seen to increase the cost of production especially on motivation of employees to improve the quality and service delivery in local authorities. It is worth noting that there is a positive linkage and positive co_ relation between performance, motivation, quality of labour and service delivery offered.

Finally to employees management consumer and other interested parties in local authorities management is important to consider the staff appraisal formulae, reward of excellent character in a properly defined manner by the organization and finally to increase trust in superior management organs as they develop workable plans to improve quality of labour and service, management and accountability.

5.5 Areas of further research

The researcher takes this opportunity to request other researchers to embark on;

1. The impacts of performance contracts on economic growth.
2. The perception of employees to performance contracts in local authorities
3. The magnitude of monetary increase in local authorities due to performance contract
4. The impacts of performance contracts, on labour and manpower development.

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APPENDICES

APPENDIX 1: APPLICATION FOR AUTHORITY TO CONDUCT RESEARCH



FORM A (Revised 2009)

REPUBLIC OF KENYA

MINISTRY OF HIGHER EDUCATION, SCIENCE AND TECHNOLOGY

NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

P.O. BOX 30623-00100

NAIROBI

APPLICATION FOR AUTHORITY TO CONDUCT RESEARCH IN KENYA

(To be completed by Kenyans)

PART I

(Notes to be read before completing the Forms)

An application for a research permit must be submitted in two(2) copies to reach the Executive Secretary, National Council for Science and Technology, P O Box 30623 00100, Nairobi, Kenya (herein referred to as NCST) at least one month before the date the Applicant intends to start conducting the research in Kenya.

The research clearance application forms must be accompanied by the following:

- (a) Comprehensive curriculum vitae of all the applicants (2 copies).
- (b) A comprehensive project proposal, including details of objectives, hypothesis, literature review, methodology and envisaged application of the research results (2 copies).
- (c) A letter from the sponsor, if any (2 copies) (*Sponsor is the person or body providing primary financial and or material support towards the project*).
- (d) A copy of National Identity Card.
- (e) Two current passport-size photographs of the Applicant(s) duly endorsed by the Sponsor or Referee.
- (f) Non-refundable research application fees payable to the Executive Secretary, National Council for Science and Technology, P.O. Box 30623-00100, Nairobi.

i. Student Attachment/Undergraduate/Diploma.....	Ksh.100.00
ii. Research (Academic) MSc.....	Ksh.1,000.00
iii. Research (Academic) PhD.....	Ksh.2,000.00
iv. Research (Individual/Post Doctoral).....	Ksh.5,000.00
v. Research (Public Institutions).....	Ksh.10,000.00
vi. Research (Private Institutions/Companies).....	Ksh.20,000.00
vii. Extensions.....	Half of the rate concerned.

An Applicant who has been permitted to conduct research in Kenya must undertake to deposit two (2) bound copies of his/her research report/thesis with the NCST on completion of the research. If the research is to be completed outside Kenya, the raw, unfinished material must be endorsed by the affiliating institution and the relevant Government office before such materials may be taken out of Kenya. The final research reports must be submitted within a year from the date indicated as the completion date on this application form unless an extension has been approved in writing by the NCST.

For projects which take longer than a year, two (2) copies of yearly progress report, duly endorsed by the affiliating institution, must be submitted to the NCST.

Any loss or damage to materials or documents made available to a researcher must be made good by him/her.

Materials, specimens, information or documents obtained in the course of the research work must not be used or be disposed of, in a manner prejudicial to the interests of the Republic of Kenya

Research association/affiliation with a relevant Kenyan research institution intended or finalized, must be shown on this application form (see Part II, No 4) It is the applicant's responsibility to negotiate for the affiliation and provide the necessary documentary evidence of this affiliation. No Research Permit will be issued until the affiliation is confirmed. A list of institutions approved for affiliation purposes is appended

For short and medium-term projects, the research permit will be issued for a period not exceeding two (2) years, with a provision for renewal for a further one year. An application for renewal shall be submitted to the NCST at least two (2) months before the expiry of the permit, a renewal fee of half of the original fee, shall be paid.

For long-term projects taking more than three years, Applicants are advised to request for guidance and further information from the NCST before submitting their application.

- 10. The Government of Kenya will have access to Data and Research premises of the Projects.
- 11. Persons who have not submitted satisfactory final reports/thesis on the previous research work in Kenya may not be cleared for new projects.
- 12. Attention is drawn to the sponsoring institutions and referees on the shared responsibility of making sure that researchers sponsored by them observe the foregoing regulations. A breach of the regulations could result in refusal of permits for other researchers sponsored by same institutions or referees.

PART II

(To be completed by the applicant)

I. Personal Information

(a) Surname of the Applicant..... NASIMIYU

(b) Other Names..... BRIGID WEGULO

(c) National Identification Number (ID No.) 22630294

(d) Permanent Residence Address,..... 500 KAKAMEGA, JOYLAND
KAKAMEGA TOWN

(e) Postal Address.....

(f) Contacts: Telephone..... 0700004194..... Fax.....

E-mail..... nasimiyubrigid@yahoo.com

(g) Age..... 32 years..... Sex..... Female

(h) Qualifications..... Graduate Now Pursuing - a Masters Degree

(Please attach the above details for other research staff and their curriculum vitae)

(Give names and full addresses of two senior academic professional Referees. These should be professionally qualified in the field of research which the applicant wishes to undertake)

(i) Name DR. STEPHEN ORELO

Address

Occupation RESIDENT LECTURER UINCS

Contacts Tel: Fax

E-mail

Date

(Referee's Signature)

(ii) Name MR. VINCENT MANUNI MUYEKA

Address

Occupation ST. PETER'S HIGH SCHOOL TEACHER

Contacts: Tel: 0702297242 Fax

E-mail

Date

(Referee's Signature)

3. (a) Have you applied for a Permit to conduct research in Kenya before? Yes/No

(b) Title of the research (if any) previously applied for

N/A

(c) The application was approved/rejected vide the NCST's letter Ref. No.

N/A

Dated

4. (a) Have you sought affiliation with a Kenyan Institution approved for affiliation purposes?

Yes/No if yes, please give name of institution

N/A

(b) If No, you should seek research affiliation with a relevant approved Kenyan institution and provide name of the Institution (A list of Institutions approved for affiliation is appended). Affiliation is mandatory before a permit can be issued. It is the responsibility of the researcher to look for such affiliation at own cost, if any.

Note--- Affiliation is **not** required for researchers under approved bilateral or multilateral aid schemes

5 Name of University/ Organization under which the research Project is being undertaken

UNIVERSITY OF NAIROBI EXTRA MURAL STUDIES

6 (a) Source(s) of Finance

SELF

(b) Amount

30,000

7 Title of the research project

P+

TITLE INFLUENCE OF PERFORMANCE CONTRACTING ON SERVICE DELIVERY IN CDF MANAGED PROJECTS' LURAMBI CONSTITUENCY.

8. Purpose of the research (e.g. MSc., PhD., Post-Doctoral, others (specify))

MISC.

9. Location of Fieldwork: Location/Division

District

KARANIEGA

Province

WESTERN

10. Estimated period of the project from

JANUARY

to

AUGUST

2014

11. I will need access to the following Public Records

CDF MANUAL REPORT

12. I will interview the following Government Officials

PROJECT MANAGERS,

CDF COMMITTEE, DISTRICT COMMISSIONER.

13. I will need to interview members of the Public whom I will select as follows:

PROJECT MANAGERS BY AN INTERVIEW SCHEDULE

CDF COMMITTEE BY SYSTEMATIC RANDOM SAMPLING

(Please incorporate details of sampling procedures, if relevant in the description of your project).

14. I intend to use the attached copies of questionnaire(s) (if applicable)

YES

15. I certify that I have read and understood the conditions given in parts I and II. I do agree to abide by them as required and that the information given by me in part II is correct to the best of my knowledge.

16. I, BRIGID NASIMYU WEGULO (Name) do agree to deposit two (2) bound copies of a final comprehensive report/thesis on my research project with the NCST within a year from the date indicated as the completion date of the project in No. 10 in part II above.

Signature



Date

04/07/2014

PART III

(For official use by institution where research is undertaken)

- 1 Name of the Institution
- 2 Recommendation by the Head of the Institution
.....
.....
- 3 Name.....
- 4 Position.....
- 5 Official Stamp and Signature.....
- Date.....

PART IV

(For official use only)

- 1. Comments by NCST Specialist Sub-Committee.....
.....
.....
.....
Date.....

Chairman of the Sub-committee
- 2. NCST Research Committee Recommendations.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
- 3 Approved/Not approved.
Date.....

Chairman, NCST Research Committee

APPENDIX 2: LETTER OF TRANSMITTAL

WEGULO BRIGID NASIMIYU,

P.O. Box 500-50100,

Kakamega.

TO THE CDF COMMITTEE,
KAKAMEGA COUNTY.

Dear respondents,

REF: PERMISSION TO ADMINISTER RESEARCH QUESTIONNAIRES

I am a student of the University of Nairobi undertaking a master's degree in Project Planning and Management-REG L50/66022/2010. As part of the requirements, of the course, I wish to carry out a research in Kakamega County entitled, Performance Contracting on Service Delivery in CDF managed projects case study Kakamega sub-county Lurambi constituency.

The purpose of this letter is to thus seek permission from the concerned authorities to enable me collect data from my sample population (respondents).

I intend to treat the information provided by the respondents with the confidentiality it deserves.

The research will help the top management to understand the specific factors that motivate their employees hence leading to an institution of more focused human resource management policies and practises.

I look forward for your positive response.

Yours faithfully

.....
Wegulo Brigid Nasimiyu

APPENDIX 2: QUESTIONNAIRE FOR EMPLOYEES

Instructions

This questionnaire is part of research project attempting to examine performance contracting on service delivery in CDF managed projects Kakamega sub County Lurambi constituency. Please answer the questions truthfully.

Tick (✓) the box corresponding to a suitable answer among the choices. You could also feel blank spaces provided with your own opinion.

Do not write your name anywhere on the questionnaire.

SECTION A: RESPONDENT'S BACKGROUND INFORMATION

1. Name of the institution.....

2. Your age (tick where applicable)

Between 11-20yrs { }

21-30yrs { }

31-40yrs { }

41-50yrs { }

51-60yrs { }

Above 60yrs { }

3. Your gender? (Tick where applicable)

Male { }

Female { }

4. What is your marital status? (Tick where applicable)

Single { }

Married { }

Divorced { }

Widowed { }

5. Number of children (tick where applicable)

None { }

1-2yrs { }

2-5yrs { }

Above 5yrs { }

6. Highest level of education and training attained (tick where applicable)

Secondary certification { }

Diploma { }

Bachelor's degree { }

Masters { }

Doctorate degree { }

Any other (please specify).....

7. Working experience? (Tick where applicable)

Below 5yrs { }

5-10yrs { }

Above 10 yrs { }

8. Which department do you work in?

SECTION B: THE INFLUENCE OF PERFORMANCE CONTRACT ON SERVICE DELIVERY;

I. What is the impact of performance contract on service delivery?

a) Enhances customer relationship building { }

b) Informs customers on the quality products and their availability { }

c) Ensures quality control, measures for quality service maintenance { }

d) Ensures that the staffs involved in the organisation are highly motivated { }

e) Ensures the decision related to customer decision making are effectively arrived at { }

f) Helps in identification and determination of customer needs { }

g) Help in building a competitive advantage

{ }

h) Any other? Please specify.....

II. WHAT IS THE IMPACT OF CAPACITY BUILDING ON SERVICE DELIVERY?

- a) Increases service delivery
- b) Helps to identify physical strength and natural abilities of workers
- c) Creates a positive attitude towards tasks
- d) Ensures quality selecting options and he development of action plans.

Please tick the level that you agree with following statements pertaining to performance contracting in the organization and how it affects service delivery

Key: 1) Strongly Disagree (SD) 2) Disagree (D) 3) Undecided (U) 4) Agree (A) 5) Strongly Agree

Participation in decision making	Strongly Disagree (SD)	Disagree (D)	Undecided (U)	Agree (A)	Strongly Agree (SA)
---	-------------------------------	---------------------	----------------------	------------------	----------------------------

I am involved in making decision that affect my work

I am given an opportunity to suggest improvements

I participate in setting goals and objectives for my job

I have access to information that I need to make good decisions

As I gain expertise I am allowed more participation on the job

Performance contract has changed a lot of factors that affect service delivery, please agree or disagree *Tick the level to which you agree that it has affected the following factors*

Work factors	Agree	Disagree
Performance contract has changed work content		
Performance contract has increased challenges' posed by the nature of my job		
Performance contract variety of job responsibilities(no job monitoring and too much repetition)		
Performance contract has improved the degree of independence in job roles		
Ensures that employees work for the success of the organization		
It ensures that work assignment are done fairly by all employees		
Performance contract ensures that employee duties are well defined and worthwhile		

SECTION C: WHETHER PERFORMANCE CONTRACT HAS IMPROVED EMPLOYEE REWARD SYSTEM

There has been improvements in:	Agree	Disagree
Financial and stewardship		
Revenue collection has increased		
There is cost reduction and savings		
There is utilization of funds on programmed activities		
Improvement in development index		
Non-financial		
Compliance with strategic plan		
ISO certification		
Development of corruption eradication structure		
Project implementation		
Quality of projects		
Relevance of projects		
Cost efficiency of projects		
High completion rate of projects		
Implement customer service delivery charter		

How do you feel Performance contract has affected the reward system?

Key: 1) Strongly Disagree (SD) 2) Disagree (D) 3) Undecided (U) 4) Agree (A) 5) Strongly Agree

Effects	Strongly Disagree (SD)	Disagree (D)	Undecided (U)	Agree (A)	Strongly Agree (SA)
Everyone is rewarded for his/her performance and has fair appraisal process					
It enables me to have a vision and work under minimal supervision					
It sets standards and builds an effective relationship with other departments					
Everyone will be rewarded for his/her performance					
Everyone is accountable for his/her own actions and that of his department					
It gives me trust to my superiors as they develop workable plans to achieve key goals					

Any other, please specify.....
.....
.....

SECTION D: WHETHER PERFORMANCE CONTRACT HAS IMPROVED MANAGEMENT PROCESS

Performance contracting is considered to be a vital tool in monitoring and evaluation, please tick {} the level of your agreement on:

1. What is the importance of performance contracting tool in monitoring and evaluation an organization?

Importance	Yes	Undecided	No
The project has a clear mission ,vision business and operational objectives that are understood by all employees			
Employees understand how their individual efforts contribute to business success			
Management shares results and business strategies with employees on a regular basis			
The management actively seeks feedback from clients and customers with view of improving service offered			
The management encourages and rewards specific behaviour of employees for business success			
Management considers employee performance feedback and appraisals			
Management puts a great deal of efforts into hiring new employee who will fit into the organization			

Any other, please specify.....

APPENDIX 3: INTERVIEWS GUIDE FOR THE PROJECT MANAGEMENT TEAM

Interviews are a set to supplement results from questionnaire; where by the real words of the respondent are quoted by the researcher. All the heads of departments will be interviewed

QUESTIONS

General questions will be asked to find out the opinion of the managers on issues of:

1. Performance contracts and reward systems

1. Which measures are used to ensure quality control and measure for quality service maintenance?
2. Which measures are used to ensure the staff is highly motivated?
3. How has performance contracts assisted in improving the degree of independence in the job roles and description?
4. Does management encourage and reward specific behaviour?

2. Performance contracts and improved work plans

1. Does the management share business strategies with its entire employees and how?
2. How do you assist workers improve performance.
3. How effective is the management on performance feedback and appraisal process?

3. Performance contract and monitoring and evaluation

1. Which ways does the organisation ensure the worker is accountable for his/her actions?
2. In which ways do you challenge in effective practices methods and procedures?
3. Does all the staff accept accountability for their performance and outcome of their own departments?

THANK YOU!

APPENDIX 4: TIME SCHEDULE

Duration (Jan 2014-august 2014)

s/no	Activity	Jan	Feb.	march	April	May	June	July	august
1	Identification of research problem	→							
2	Chapter 1	→							
3	Literature review		→	→					
4	Piloting			→	→				
5	Data collection					→			
6	Data analysis					→	→		
7	Data corrections (in the project)						→		
8	Report presentation						→	→	
9	Correction of the report							→	→
10	Final submission							→	→

APPENDIX 5: COST BUDGET

S/No	Activity	Cost (in Ksh)	
		Shillings	Cents
1	Stationery	2000	00
2	Printing	5000	00
3	Internet browsing	4000	00
4	Photocopying	4000	00
5	Telephone expenses	500	00
6	Travelling	4000	00
7	Facilitation and administration of research instruments	3000	00
8	Report binding	3000	00
9	Contingency (10%)	1000	00
Total		26500	00