

# Impact of Performance Contracting on Public Service Delivery in the National Government Administration in Kenya: Case of Eldoret West Sub-County

Michael Ang'anyo

E-mail: [michaelanganyo@gmail.com](mailto:michaelanganyo@gmail.com)

Januaris Mbatha (corresponding author)

E-mail: [januaris.mbatha@ksg.ac.ke](mailto:januaris.mbatha@ksg.ac.ke)

Received: May 4, 2019    Accepted: May 30, 2019    Online published: June 26, 2019

doi:10.5296/jpag.v9i2.14855

URL: <https://doi.org/10.5296/jpag.v9i2.14855>

## Abstract

The main aim of this study was to assess the impact of performance contracting on public service delivery, in the National Government Administration, Eldoret West Sub-County. The study examined the effect of financial stewardship, human resource management and the role of resolution of public complaints on service delivery. Two theories informed this study: The New Public Management Theory and the Principal Agent Theory. Descriptive survey research design was utilized. The target population constituted members of the public who consume public services provided by the 63 National Government Administrative officers in Eldoret West Sub-County (NGAO), 19 Heads of Departments and officials from Non-Governmental Organizations (NGOs). A sample size of 170 respondents was selected using quota sampling technique. Both primary and secondary data were collected. Data analysis and management was done by use of SPSS Version 21 and MS Excel. The gamma measure of association between financial stewardship and service delivery was +0.5. This is a moderate strength pointing to the existence of other factors that drive service delivery. The spearman's Rank Order measure of correlation ( $r_s$ ) between human resource management and service delivery was +0.67. This indicates moderate association, hence a clear pointer to a combination of other factors driving service delivery. There was minimal variability across the various dimensions of complaints handling mechanisms and their effect on improving service delivery. It was therefore recommended that National Government Administration need to continuously build capacity on both its officers and members of the public on the financial accountability framework, tie human resource management and development

practices to other policies as well as engage and sensitize members of the public on performance contracting process and complaints handling mechanisms.

**Keywords:** performance contract, financial stewardship, complaints handling mechanisms, human resource development

## 1. Introduction

In the Kenyan public sector, performance contract is defined as a freely negotiated performance agreement between the principal and the agent (GOK, 2005). The agreement clearly specifies the mutual performance obligations of two contracting parties. Evidently, performance contracting has gained prominence in the public sector management and its being used to implement policies and improve the performance of public enterprises (Hope, 2013).

Historically, implementation of performance contracting has been varied in both design and structure. For instance in Belgium, it dates back to the breaking of the traditional monolithic government in the 1800s. It stipulated the compulsory public utility services being provided by the agency and the government's conditions. In France the concept was first introduced in the 1960s following the publication of the famous Nora report on the reform of state-owned enterprises (Bouckaert, Verhoest, and De Corte, 1999). In the United Kingdom (UK), performance contracting in public sector was introduced in 1998. It constituted part of Public Service Agreement System and it set out key performance targets which government agencies were to report on (Metawie & Gilman, 2006). In the United States of America (USA), according to Government Performance and Results Act of 1993, performance contracting initiative was geared towards enhancing the productivity of federal departments and consequently boost citizens' confidence in government. In Canada the government's approach to performance contracting was premised on 1990's expenditure management systems designed on the basis of cost containment during a period of budget deficits (Kernaghan & Siegel, 1999).

In Latin America, performance contracts have been used at different times. notably in Argentina, Brazil, Bolivia, Chile, Colombia, Mexico, Uruguay and Venezuela (AAPAM, 2005). In Asia, countries like Bangladesh, Malaysia, China, India, Korea, Pakistan and Sri Lanka have been using performance contracting to ensure public agencies become more accountable (Grapinet, 1999).

The Egyptian experience with Public Private Partnership (PPP) since 2008, has demonstrated the government's commitment to improving public services through performance contracts. The performance contracts in Egypt are signed between the public sector and the private sector for the purpose of having the private sector deliver services traditionally provided by the public sector (Hannoura, 2014).

Generally, African countries' experience of poor performance among public agencies necessitated the adoption of performance contracting paradigm. This was part of the comprehensive public sector reforms strategy, as a step towards addressing the challenges posed by weak accountability framework to results in the 1990s. Countries in West Africa

like Ghana, Nigeria and Gambia started managing public service through performance contracting by 2005 (UN-Economic Commission for Africa, 2010).

The political transition in South Africa necessitated comprehensive restructuring of the state bureaucracy, a process which attracted considerable policy attention in the mid to late 1990s. This led to the South African policy makers drawing inspiration from the wealth of international experience in public sector reforms. Key to the reforms was the management development and practice, which included performance contracting (Naidoo, 2015).

In East Africa, the East African Community Performance Contract (2008/2009), stipulated member states' expectations and commitment for common achievement. Largely, this was to be achieved through implementation of Strategic Plan (2007-2012), which would entail development of work plans with comprehensive performance targets outlined in the performance contracts.

Rwanda's Economic Development and Poverty Reduction Strategy 2008-2012 (EDPRS 1), identifies performance contract in the public sector as a critical tool for creating efficiency and improving the quality of public service delivery. The use of Rwanda's indigenous knowledge system known as *Imihigo* (performance contracts), is one of those innovative and home-grown approaches that has complemented service delivery initiatives. Consequently, the hybrid approach has contributed significantly to improvements in the socio economic wellbeing of the citizens (Byamukama, 2012).

### *1.1 The Kenyan Perspective*

In Kenya, the public sector continues to explore innovative ways of providing quality services to the citizens. The government has adopted performance contracting with an overall objective of improving service delivery. This strategy is combined with continuous tooling and retooling of public officers in order to change their mind-sets from being process and activity driven to being more result focused and citizen centric. Obongo (2009) outlines performance contracting in Kenya, as a by-product of second generation of reforms by the government. It is premised on the assumption that institutionalization of a robust performance management system that focuses on the customer and cost containment, can lead to improvements in service delivery (GOK, 2003).

The cabinet memorandum of 1990 No. (90) 35 laid a foundation for performance contracting in Kenya. It was conceived as an avenue of changing the way things were being done, reinforcing a new behavioural pattern and adopting a positive work ethics in the public service (Kobia and Mohamed, 2006). At the formative stages, performance contracting was introduced in Kenya through the parastatal reform strategy of 1991. It was piloted in Kenya Railways Corporation and the National Cereals and Produce Board. It was fully introduced in the Kenyan public service in 2004, as part of the Civil Service Reforms instituted under the Economic Recovery Strategy for Wealth and Employment Creation (ERS) 2003-2007 (Hope, 2013).

### 1.1.2 Model Performance Contract

This paper analyses the impact of performance contracting on service delivery, on the basis of the 12<sup>th</sup> Edition performance contract guidelines 2015/2016, issued by Ministry of Devolution and Planning. The guidelines provide a platform for Ministries, Departments and Agencies (MDAs) for implementation of performance contracts. To ensure standardization, departments are provided with a model contract and an evaluation matrix, which provide the performance dimensions as well as respective weights on annual basis as presented in table 1.

Table 1. Performance criteria categories and weights for MDAs

Performance Category	Criteria	Ministries/ state department	Tertiary Institutions	State Corporations		
				Non commercial	<i>Public Universities</i>	Commercial
Finance & Stewardship		10	10	10	10	35
Service Delivery		15	15	15	15	15
Non-Financial		10	10	10	10	10
Operations		50	50	50	50	25
Dynamic/ Qualitative		5	5	5	5	5
Corruption Eradication/ Governance		5	5	5	5	5
National Cohesion and National Values		5	5	5	5	5

Source: 12<sup>th</sup> Cycle PC Guidelines FY 2015-2016

The Performance Contracts are anchored on the National Blue print Vision 2030, the Medium Term Plans and the Sector Performance Standards. This study coincided with Medium Term Plan II – 2013 to 2017 and Sector Performance Standards 2015. The performance criteria categories (performance dimensions) are seven (7) and have already been pre-set as well as the weights and MDAs are not allowed to alter them. Respective, MDAs are supposed to ensure the performance targets and indicators selected under each dimension progressively approach or exceed the levels set out in the MTP and SPS.

Although there are seven performance dimensions in the performance contract document, this study picked three (3) dimensions: finance and stewardship, resolution of public complaints (service delivery) and human resource management and development (Qualitative/ dynamic) as key drivers of public service delivery.

### 1.3 Statement of the Problem

Since independence, performance of the Kenyan public service in general and the National Government Administration (formerly the Provincial Administration) in particular, has been on the decline and not meeting public expectation. This challenge can be attributed to among others, the structure of service delivery that puts emphasis on compliance with processes rather than results and the cultural orientation of both service providers and the citizens.

Further, delivery of results to the citizens continue to be constrained by public officers who are confronted with multiple principals (bosses) with multiple goals that are often conflicting. Consequently, these challenges have continued to negate the principle of accountability for results esposed in Result Based Mangement (RBM) strategy.

This trend has continued despite the Government's commitment to improvement of performance, corporate governance and management through the introduction of Performance Contracts. These initiatives had a key objective of continuously measuring performance against agreed performance indicators, as expressed in the policy framework paper "Economic Recovery Strategy of 2003-2007" (Hope, 2012). The major thrust for the policy was to rationalize public management culture to focus on outputs, efficiency and cost effectiveness. This was to be achieved through ensuring that top-level managers are accountable for results, public resources are focused on attainment of key national policy priorities, performance is measured competitively, budgetary resources are linked to performance targets and ultimately, reward for work is linked to measurable performance milestones.

These measures were intended to guide behavior towards attainment of results, ensure accountability in the use of public resources and increase efficiency and effectiveness in service delivery. However, the results have been varied and the most sought transformation in public service delivery has remained a mirage in the public sector and National Government Administration (NGA) is not an exception. It is therefore against this background that this study sought to assess the impact of performance contract on service delivery in Eldoret West Sub County.

#### *1.4 Objectives*

##### *1.4.1 General Objective*

To assess the impact of performance contracting on public service delivery of the National Government Administration in Eldoret West Sub-County

##### *1.4.2 Specific Objectives*

- i. To determine the effect of financial stewardship requirements on public service delivery
- ii. To assess the effect of human resource management and development on public service delivery
- iii. To assess the role of complaints handling mechanism on service delivery

#### *1.5 Research Questions*

The study was informed by the following research questions:

- i. Does financial stewardship requirements influence service delivery in the National Government Administration?

- ii. What is the effect of human resource management and development on service delivery in the National Government Administration?
- iii. How has the complaints handling mechanism impacted on service delivery by the National Government Administration?

### *1.6 Justification*

Due to declining performance in the public sector, there is need to investigate the pertinent factors responsible for an effective, efficient and ethical delivery of services to the public. The findings from this study will inform policy, performance measurement and management framework in the public sector. Specifically, this study will add value to the performance contracting policy implementation. The findings will also offer guidance to the National Government Administration in restructuring its institutional framework for managing performance. Specifically, it will provide a road map for stakeholder involvement in the implementation of performance contracting policy. Further, the study will unravel challenges of implementing performance contracts and suggest ways of achieving the expected outcomes of the same.

## **2. Literature Review**

### *2.1 Theoretical Framework*

This study was guided by two theories; The New Public Management Theory (NPM) and Principal Agent Theory.

#### *2.1.2 New Public Management (NPM) Theory*

The NPM label was first coined by Christopher Hood in 1991 (Vabo, 2009). It refers to a series of themes relating to reforming the organizations and procedures of public sector with key object of making it competitive, efficient and effective in resource utilization and service delivery (Cheche & Muathe 2014). Hood (as cited in Vabo, 2009) identified seven overlapping edicts:

- Hands on professional management' in the public sector
- Explicit standards and measures of performance
- Greater emphasis on output control
- Shift to disaggregation of units in the public sector
- Shift to greater competition in public sector
- Stress on private sector styles of management practice
- Stress on greater discipline and parsimony in resource use

Performance contracting is one of the reform initiatives in the Kenyan public service geared towards enhancing efficiency and accountability for results. It provides a disciplined framework in which performance is measured through agreed performance dimensions. This



study alludes to three out of the seven performance criteria categories (financial stewardship, service delivery and dynamic/qualitative – human resource development). Performance standards and metrics are defined and agreed upon in the beginning of the contract period across the performance dimensions.

### 2.1.3 Principal Agent Theory

Performance contracting is premised on principal agent theory (Ayee, 2008; Petri, 2002) as cited by Cheche & Muathe 2014. The agents and principals are bound to pursue their self-interest in order to maximize their own benefits (Eisenhardt, 1989). The theory lays down a number of parameters for defining a principal agent relations (Petrie, 2002):

- Clear definition of responsibilities and accountabilities of the parties
- Separation of roles and functions
- Clear *ex ante* specification of results as a basis of *ex post* accountability
- Incentive alignment of the agent to those of the principal and understanding of consequences
- Delegation of authority over the use of inputs to agents and holding them accountable to results

In the Kenyan public service performance contracting is defined as a performance agreement between the principal (government) and agent (CEO of public organization) that specifies intentions, responsibilities and obligations of the two parties. Thus, the principal agent theory will provide the platform of answering key questions on how the principal can control the actions of the agent to ensure they act in the best interests of the citizens.

## 2.2 Empirical Review

### 2.2.1 Financial Stewardship

There is high correlation between performance contracting and financial stewardship and discipline in public sector institutions. It leads to better linkage between planning and budgeting process in the public sector, which are the hallmarks of result based management (Cheche & Muathe, 2014). In a study by Mulei and Orodho (2016) on efficacy of performance contracting in management of secondary schools, 75% of the Board of Management Members cited the need for using performance contracting procedures to regulate appropriate financial management in schools.

This upward trend in acceptance and application of performance contract as an accountability tool is corroborated by Mbua and Sarisar 2013 as well as Kobia and Mohamed 2006. Despite the mixed results out of the system since 2005, it has contributed significantly to the improvement in administrative and financial performance of public institutions. Specifically, most ministries have shown an upward trend in their budgetary absorption with regard to development expenditures. Likewise, some state corporations are slowly beginning to realize their potential (Kobia & Mohamed, 2006). The financial and stewardship dimension of the

performance contracts, commit managers of public institution to: 100 per cent absorption of the budgeted resources, internal revenue generation, cost consciousness, improvement in development index and debt management. These key performance indicators have had an impact on improved efficiency in resource utilization, reduction in reliance of agencies on exchequer as well as general improvement in financial and administrative efficiency. Consequently, there has been improvement in public service delivery although there are other factors in the interplay due to other public sector reforms (Kogei, Magugui, yano, Chepkemei & chebet, 2013).

The use of performance-based contracts has induced an increased cost consciousness. The organizations are required to develop cost-accounting systems and provide yearly financial statements. The information provided improves the government's capacity to control the organizations' financial practices. "There is a positive financial reform to the government in case performance results exceed set targets" (Akaranga, 2008). Performance contracting makes performance indicators clear to Kenyan citizens, who are then empowered to demand accountability from their public officers (Muthaura, 2007). This type of involvement has begun to restore public trust in government as indicated in increasing willingness by citizens to pay taxes. Tax collection grew by 13.6 over the period 2001 -2007 and GDP growth stood at 6.1% over the period coinciding with introduction of performance contracting. It is therefore, expected that the country will realize the constitutional provisions on public finance, which among others include: generating saving and investments, ensure that public funds are properly applied to provide for immediate services in the short and long term and ensure the economy is properly regulated to support accountability.

### 2.2.2 Human Resource Management and Public Service Delivery

Performance contracting is credited with increased inter and intra agency coordination within and across ministries (Uusikyla & Virtanen, 1999). Ultimately, the agencies are able to plan, budget and implement programs that meet the needs of the citizens in a timely manner. However, for performance contracting to achieve the intended benefits, there is need to bolster the structural relationship to facilitate strategic communication. Reza and Chittoo (2009) notes the complexity of communication in public service. Therefore, performance contracting may have insignificant impact if communication both internally and externally amongst institutions is not enhanced.

In an attempt to restore faith on government services to the citizens and other stakeholders, the government adopted a two pronged approach (Muthaura, 2007). On one hand the focus was on tooling and retooling public officers with skills, knowledge and creating new behavior patterns that embrace positive work ethics. On the other hand, the thrust was on adopting a performance management system that will transit public service delivery from being process and activity oriented to result focused (Kobia & Mohammed, 2006). These initiatives were crystalized into performance contract, with key performance indicators committing public service organization though: linking performance contract to competence development, cascading of performance contract through performance appraisal system, periodic performance evaluation, knowledge management, implementation of annual work



environment/employee satisfaction surveys and employee capacity building among others.

Kobia and Mohammed (2006) in their survey, found out that 77.5% of the respondents agreed performance contracts required individual employees to develop individual job expectations and staff performance plans. Consequently, to address capacity issues in order to bridge performance gaps, employee in conjunction with their supervisors should identify their developmental needs. With increased demand on multi-tasking in the public sector, employees are finding it necessary to acquire more skills and knowledge. Hence, the need for continuous human resource development specifically, through training. As advanced by Kobia and Mohammed, public officers are increasingly being involved in decision making and therefore, it is imperative to have a structured approach to human resource development and management. This will ensure proper alignment of individual performance plans to overall organizational performance plans and drive the implementation of the public policy.

The new personnel statutes have improved the performance of human resource management and increased the flexibility of allocating the right person to the right job. Ochieng (2010) argues that, performance contracting leads to enhanced accountability in the public service as it defines who does what, when and how. It is expected that outstanding performance is rewarded through promotion, pay-increase or recognition. Therefore, employee recognition becomes a correlate to continuous improvement and consequently increased service delivery.

According to Lings (2004) if properly executed, performance contracting has a significant positive impact on staff commitment and satisfaction. He emphasizes the importance of human resources management by pointing out that many researchers and employers neglect one important focus, the demand of internal employees, especially those who directly get in touch with customers. Inherently, the attitude and behavior of employees interacting with customers would influence the feeling and behavior of customers when they get served. This viewpoint is reinforced by Slater 1999, who reiterates that performance contracting if well executed may increase real speed in decision making and build self-confidence in employees. He reckons that bureaucracy which is a common feature in organizations that still rely on the management apparatus that had worked in the 1970s is terrified by speed and simplicity which are some of the essentials of performance contracts. Hence, performance contracting calls for a paradigm shift in mindsets and overall human resource management in terms of behavior, attitudes, knowledge and essential skills.

Shirley (1998) argues that the logic of performance contracts is persuasive, but the reality has been disappointing. The theory of performance contracting suggests that to improve performance, performance contracts must not only reduce the information advantage that managers enjoy over owners but must be also motivated through rewards or penalties to achieve the contract's targets. 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. It is common practice for employees deemed to fit into organizational culture and structure are likely to be promoted to top leadership however, in public service the reality is different owing to myriad of consideration behind career growth and progression.

### 2.2.3 Resolution of Public Complaints and Service Delivery

Organizations are called upon to design and implement a Complaints Handling Mechanism (CHM) in order to be able adhere to the promised service standards and enhance overall effectiveness in service delivery. According to World Bank (2008) a CHM has a number of characteristics: multiple complaint uptake locations and multiple channels for receiving complaints, fixed service standards for complaint resolution, prompt “and clear processing guidelines (including reviewing procedures and monitoring systems), and an effective and timely complaint response system to inform complainants of the action taken”. However, the effectiveness of CHM is determined by the design and quality of supervision during implementation (World Bank, 2009).

In a study done by Simon, Novicki and Casedesus 2015 looked into organization’s adherence to complaints handling process proposed by the standards ISO 10002 for complaints handling. Although the level of awareness was low on the procedures, the cost of maintenance of the certification was inhibitive and organizations preferred following the procedures without formally getting certified. In order to achieve higher levels of customer satisfaction it is imperative for organizations to analyze customer complaints and explore ways of turning them into customer satisfaction. Simon et al. (2015) notes that for CHM to be effective organizations need to build a culture and awareness of quality service among all employees. Training and communication is noted as a key variables in this endeavor.

Delivery of service involves contact amongst various entities: customers, staff and facilities (Lin, 2014). Public sector organizations are not an exception in this interaction hence the need to strike a balance between service delivery and citizen satisfaction. CHM is a key avenue of responding to complaints made by customers for corrective action. The Kenyan public service has been undergoing through reforms since the 1990’s. The reforms include performance contracting to assess various results including complaints handling, customer satisfaction, ethics and corruption prevention (CAJ, 2016). Each year the department of performance contracting releases guidelines to government departments to guide on setting of performance targets. This study coincides with the 12<sup>th</sup> cycle which identifies complaints handling as one of the key performance indicators under Service Delivery performance dimension.

Tangible results can be attributed to complaints handling mechanism, which boarder but not limited to: sensitization of the citizens on the existence of redress mechanisms, capacity building for CHM, (20,000 officers by 2016), improved efficiency in complaints handling and the process of lodging complaints, growth in number of complaints filed from about 4,000 in 2011 to over 117,000 by 2016. Efficiency in complaint resolution rose from 26 to 87 per cent as well as issuance of over 50 advisories and determination of thousands of matters (Omollo, 2016).

### 2.7 Conceptual Framework

The study was undertaken within the performance contracting guidelines of the National Government guidelines 2015/2016. Specifically, the variables of study are derived from three

performance dimensions: finance stewardship, service delivery (resolution of public complains) and qualitative/dynamic (human resource development).

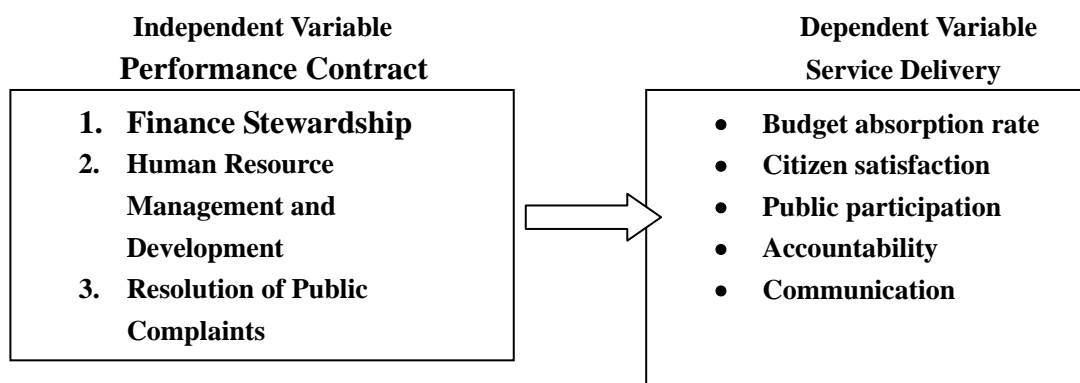


Figure 2.1. Conceptual Framework

Source: The Researcher (2015)

Optimum utilization of allocated funds is bound to yield high budget absorption rate, resulting in enhanced development processes. This further yields citizen satisfaction through improved access to office facilities and services. Finance stewardship leads to accountability from the National Government Administrative Officers (NGAOs), manifested through transparency in the delivery of services to the public. Accountability can also be achieved through monitoring and evaluation by periodic progress reports on performance contract. Monitoring and evaluation also yields communication, as an element of service delivery in terms of real time feedback.

The concept of human resource management and development (HRMD) is expected to improve performance of the national government administration in service delivery. With sufficient competency development, proper performance appraisal system, excellent knowledge management and an enabling work environment, the NGAOs are expected to gain the capacity to impact on service delivery by yielding citizen satisfaction through the delivery of citizen-centered services and improved access to office facilities and services. The NGAOs are also bound to be able to attain high budget absorption rate and thus facilitate optimum development processes. HRMD also builds the NGAOs' capacity to demonstrate accountability through transparency in their service delivery. Service delivery by the National Government Administration through effective resolution of public complaints is expected to yield customer/citizen satisfaction through the CHMs.

### 3. Research Methodology

#### 3.1 Research Design

The study utilized descriptive survey research design. The design was adopted owing to its ability to describe the characteristics of large populations; its flexibility and analysis which can yield unexpected insights into the study population as well as its strength in reliability (Kothari, 2004). Both quantitative and qualitative approaches were integrated.

### 3.2 Population and Sample Size

Members of public who consume public service provided by the 63 National Government Administrative officers in Eldoret West Sub County. 19 Heads of Departments (HODs), and 9 officials of the Non-Governmental Organizations (NGOs) working in the Sub County whose mandate entails an involvement with the National Government Administration in the course of their delivery of services to the public.

### 3.3 Sampling Frame and Sample Size

The sampling frame was drawn from 23 out of the 63 existing National Government Administration coordination units (37 Sub Locations, 23 Locations, 2 Divisions and 1 Sub County). Additionally, other respective categories of stakeholders (members of the public, Heads of other government departments, and representatives from NGOs), taking into account the extent of involvement with the National Government Administration in the course of their delivery of services to the public.

#### 3.3.1 Sample Size Was 170 Respondents

This was the total derived from various specific samples based on the different categories of respondents: 23 National Government Administrative Officers (NGAOs); 138 members of the public, 6 out of the 19 national government HODs and 3 out of the 9 representatives from the NGOs. Quota sampling method was used to select respondents from the various categories.

### 3.4 Data Collection and Analysis

Both qualitative and quantitative data was collected through self-administered questionnaire. Data was analyzed using descriptive statistical methods through SPSS. The Gamma measure of association ( $r$ ) was computed to determine the level of association between financial stewardship and service delivery. The spearman rank order measure of correlation ( $r_s$ ) was computed to determine the nature of the relationship between human resource management and service delivery.

## 4. Findings and Discussions

### 4.1 Descriptive Analysis

#### 4.1.1 Category of the Respondents

Table 4.1. Category of the Respondents

<b>Respondents</b>	<b>Frequency</b>	<b>Percent</b>
Members of the public	138	81.2
NGAOs	23	13.5
H.O.Ds	6	3.5
NGOs	3	1.8
<b>Total</b>	<b>170</b>	<b>100.0</b>

The members of public respondents constituted 81.2%, while 13.5% of the respondents were National Government Administrative Officers (NGAOs). Respondents who were Heads of departments (HODs) 3.5% and only 1.8% of the respondents were Non-Governmental Organizations (NGOs) Officials.

#### 4.1.2 Analysis on the Effect of Financial Stewardship on Service Delivery

Data was collected on knowledge about the Public Finance Management Act, 2012, compliance with the set budgetary levels, adequacy of the allocated funds and the role of financial stewardship in facilitating service delivery. The study sought to ascertain the effect of financial stewardship on public service delivery. The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 – disagree, 3 – neutral, 4 – agree and 5 - strongly agree.

Table 4.2. Financial Stewardship

	<b>Financial stewardship (FS)</b>	<b>units</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Median</b>	<b>IQR</b>
FS1	Knowledge on Public Finance Management Act, 2012	%	25	13	4.6	50	7.4	4	3
FS2	Department Complies with set budgetary levels	%	4.3	0	17.4	26.1	52.2	5	1
FS3	Allocated funds are adequate	%	4.4	13.0	8.7	30.4	43.5	4	2
FS4	Financial stewardship enhances service delivery	%	1.8	4.1	12.9	29.4	51.8	5	1

Majority of the respondents representing 57.4%, had knowledge about the Financial Management Act, 2012 (FS1) while 40.6% of the respondents were ignorant about the Act. With more than half of the respondents having knowledge about the Public Financial Management Act 2012. This is a clear indication that level of understanding of the financial guidelines governing budget absorption, utilization of allocated funds as well as compliance with budgetary levels is above average. This response has a median of 4 and IQR = 3. This is an indicator of high levels of agreement on level of awareness and moderate levels of polarization in terms of consensus. Hence, opinions seems to be divided on regard to the knowledge about the finance Act.

The FS2 represents responses from NGAOs category. The statistics show that 26.1% of the respondents and 52.2% agreed and strongly agreed respectively that the National Government Administration complies with the budgetary levels in accordance with the Public Finance Management Act, 2012. There were 17.4% of the respondents who disagreed while 4.3% of the respondents strongly disagreed that the National Government Administration complies with the budgetary levels in accordance with the finance Act. With a median = 5 and IQR= 1 it's a clear indication of high level of consensus amongst the NGAOs on this construct and by extension implication on service delivery by the national government administration in terms of increased budget absorption rate resulting in enhanced development processes.

The knowledge on adequacy of the allocated funds (FS3) could only be obtained from the NGAOs category of respondents. The findings revealed that 30.4% of the respondents and

43.5% agreed and strongly agreed respectively that the funds allocated to the national government administration officers were adequate for their service delivery. There was 13.0% of the respondents who disagreed while 4.4% strongly disagreed that the funds allocated to the national government administration officers were adequate for service delivery. Of the respondents, 8.7% were undecided on the question. The median=5 and IQR = 2 depicts high level of consensus on the adequacy of the allocated funds across various budgeted items.

On the role financial stewardship to service delivery (FS4) through utilization of allocated funds, the findings indicate that 29.4% of the respondents agreed while 51.8% of the respondents strongly agreed that finance stewardship – through utilization of allocated funds, facilitated service delivery by the National Government Administration in their areas of jurisdiction. There were 4.1% of the respondents and 1.8% who disagreed and strongly disagreed respectively, with 12.9% being undecided. The median = 5 and IQR= 1. This implies that most respondents agreed finance stewardship, as an element of performance contract, facilitates service delivery by the National Government Administration.

#### 4.1.3 Impact of Finance Stewardship on Service Delivery

A total of 170 respondents were interviewed and came up with the following data. The level of financial stewardship was represented by the lowest level hereby referred to as ‘junior’, followed by the middle all the way to senior level. The influence of the level financial stewardship on service delivery was computed using the Gamma measure of association as indicated in table 4.3

Table 4.3. Levels of service delivery and finance stewardship

Level of Service Delivery	Level of Finance Stewardship		
	Junior Level of Finance Stewards (Chiefs)	Middle Level of Finance Stewards (ACCs)	Senior Level of Finance stewards (DCC)
Senior Level of service delivery (DCC)	26	16	12
Middle Level of Service delivery (ACCs)	6	20	22
Junior Level of service delivery (Chiefs)	14	24	30

#### Computing statistic for Table 4.3 using Gamma measure of association

The Gamma statistics show how the level of finance stewardship influences the level of service delivery by the various levels of NGAOs (Senior, Middle and Junior):



Table 4.4. Gamma measure of association

Level of service delivery	Senior	26 a	16 b	12 c
	Middle	6 d	20 e	22 f
	Junior	14 g	24 h	30 i
		Junior	Middle	Senior

Level of finance stewardship that influence service delivery

$$\text{Gamma (r)} = \frac{\sum (AD - BC)}{\sum (AD + BC)}$$

Where; AD = Frequency of the Agreement (sum of the positive correlations)

BC = Frequency of the Disagreement (sum of the negative correlations)

Therefore;

$$\begin{aligned} \sum AD &= 4252 \\ \sum BC &= 1436 \end{aligned}$$

$$\text{Hence, the Score} = \left\{ \frac{(4252 - 1436)}{(4252 + 1436)} \right\}$$

$$r = \underline{\underline{+0.5}}$$

### Interpretation and Discussion of the Results and Findings

Gamma (r) of + 0.5 indicate existence of a positive relationship between the levels of finance stewardship and service delivery (50% proportion of ranked pairs in agreement that indeed the higher the authority to incur expenditure the higher the influence on the level of service delivery). It implies that the more senior a public officer is (synonymous to higher control of financial resources) the more influence they have in terms of service delivery and vice versa. Level of 0.5 is considered moderate in strength and this implies a possibility of other factors other than finance stewardship that impact on service delivery – human resource management, resolution of public complaints among others. However, financial stewardship is a key driving factor in service delivery.

#### 4.1.4 Analysis on the Effect of Human Resource Management on Service Delivery

The study sought to ascertain the relationship between Human Resource Management and

service delivery. The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 – disagree, 3 – neutral, 4 – agree and 5 - strongly agree.

Table 4.5. descriptive Analysis for human resource management

	<b>Human Resource Management</b>	<b>unit</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Median</b>	<b>IQR</b>
HRM1	Performance contracting is a participatory process	%	3.0	18.0	10.0	27.0	42.0	4	2
HRM2	Performance contracting is linked with competence development	%	4.3	8.7	6.0	30.8	50.2	5	1
HRM3	Performance contracting is cascaded to all staff levels through Performance Appraisal System	%	14.0	12.0	4.0	40.0	30.0	4	3
HRM4	performance is evaluated periodically as per the guidelines	%	0	0	3.0	37.0	60.0	5	1
HRM5	Performance contracting has provision of knowledge management as a target	%	0.0	4.4	13.0	30.4	52.2	5	1
HRM6	Performance contracting requires implementation of annual work environment survey recommendations	%	8.5	4.0	3.0	41.0	43.5	4	1

Largely, performance contracting was deemed to be participatory in terms of negotiation of performance targets, alignment of individual goals to departmental goals as well as performance evaluation. This view was supported by 69% of the participants. Only 21% were of contrary opinion and 10% being indifferent. The median was = 4 with an IQR = 2. Signifying high degree of consensus with minimal variability.

Performance contract as a tool of competence development – HRM 2 (skills and competence needs assessment), which ultimately drives goals achievement, was rated highly in that regard. This linkage was supported by 81% of the respondents (50.2% strongly agreeing and 30.8% agreeing). The level of consensus on this position was high with median = 5 and IQR = 1. Its only 13% who felt that competence development did not have a bearing on performance contracting with 6% being indifferent. This position is not strange given there are other considerations behind competence development other than performance in the work place.

Majority of the respondents were quite clear on the 'line of sight' of performance contracting ie. Translation of National goals to performance contract (PC) and ultimately cascading of the same through Performance Appraisal System (HRM 3). This position was supported by 70% of the respondents with 26% being of contrary opinion and 4% being indifferent. The median was = 4 and IQR =3. There is some degree of some level of polarization of opinion and the dissonance of opinion can be attributed to some missing link between PC and PAS in the public sector.

Adherence to performance contracting guideline (HRM 4) in terms of reporting was almost 100% with only 3% being indifferent. This is a clear indication of high level of

operationalization of PC requirement at the NGA.

The PC was billed by respondents as a key tool in laying the foundation for knowledge management in an organization (HRM 5). A view supported by 82.6% of the respondents. 4.4% disagreed while 13% were indifferent. The median was =5 and IQR = 1 an indication high level of consensus amongst participants. However, it's noteworthy that the 17.4% who disagreed or were indifferent it could be attributed to lack of proper structures of knowledge management in the public sector generally and NGA in particular.

The quality of Work environment is one of the key performance indicator in the performance contract. Respondents' awareness, recommendations and implementation status of the previous year's work environment survey was tested (HRM 6) and level of agreement computed. Majority (84.5%) were aware of the recommendations and supported the assertion that they facilitated service delivery. Only 12.5% disagreed and 3% were indifferent respectively. The median = 4 and IQR = 1 indicating the level of consensus amongst the respondents on the linkage between work environment surveys and implementation of the recommendations.

#### 4.1.4.1 The Impact of Human Resource Management and Development on Service Delivery by National Government Administration

To analyse the relationship between the Human Resource Management and Development and service delivery, eight administrative units were identified for the study (table 4.6). The Human Resource Management and Development was treated as a package comprising of capacity building, career progression, discipline management) against levels of service delivery. The Spearman's Rank Order Measure of correlation (r) was computed (Table 4.7).

Table 4.6. The impact of human resource management and development on service delivery by the National Government Administration (NGA)

		<b>Eldoret West</b>	<b>Soy Division</b>	<b>Turbo Division</b>	<b>Ng'enyilel</b>	<b>Tapsagoi</b>	<b>Kamagut</b>	<b>Kiplombe</b>	<b>Kapsaos</b>
Number	Of	16	1	1	7	6	9	10	8
National Government Administration Officers (NGAOs) who have benefited from HRM &D									
%	of	70.5%	2.1%	16.6%	64.5%	14.9%	40.9%	37%	75%
respondents who agree with NGAOs improved level of service delivery									

A total of eight administrative were selected and respondents' agreement on improvement of service delivery due to human resource management and development initiatives was

recorded. Kapsoas (75%), Eldoret west (70.5%) and Ng'nyilel (64.5%) administrative units had the highest number of respondents who felt human resource management and development had a bearing to service improvement. Soy unit had the lowest number of respondents at 2.1%, Tapsagoi 14.9% and Turbo at 16.6%. Kiplombe and kamagut stood at 37% and 40.9% respectively.

Table 4.7. Computing statistic for Table 6.10 using Spearman's Rank Order measure of correlation (rs)

NGA service delivery coordination Unit	Ranking of Respondents who agreed with Levels of Service Delivery	Ranking of No. of NGAOs who had benefited from the concept of HRM and Development	d	d <sup>2</sup>
Eldoret West	1	2	-1	1
Soy Division	7.5	8	-0.5	0.25
Turbo Division	7.5	6	+0.5	2.25
Ng'enyilel Ward	5	3	+2	4
Tapsagoi Ward	6	7	-1	1
Kamagut ward	3	4	-1	1
Kaplombe Ward	2	5	-3	9
Kapsoas	4	1	+3	9
				$\sum d^2 = 27.5$

$$r_s = 1 - \left\{ \frac{6 \sum d^2}{(N^3 - 1)} \right\}$$

Where;  $\sum$  = Sum of  
 $d$  = Difference between Ranks  
 $\sum d^2$  = Sum of Squared Differences in Ranks  
 $N$  = Number of Cases Ranked

Therefore,

$$r_s = 1 - \left\{ \frac{6 \times 27.5}{8^3 - 8} \right\} = \underline{\underline{+0.67}}$$

There is a positive relationship (+0.67) between human resource management and service delivery. This implies that, the more the number of NGAOs who have benefited from the concept of human resource management and development in an administrative unit, the higher the levels of service delivery to the citizens. However, the strength of the relationship is moderate at +0.67; this implies that whereas respondents/consumers of the NGAOs services agree that human resource management and development impact on service delivery by the national government administration, there could also be other factors that impact on the service delivery and need consideration as well.

#### 4.1.5 Analysis on the Role of Resolution of Public Complaints on Service Delivery

The study sought to ascertain the role of resolution of public complaints (RPC) on the service delivery.

data on: rating of the national government administration on promptness by which the National Government Administration Officers (referred to as the NGAOs in the subsequent discussion) receive and address public complaints, and; on improved access to office facilities and services; Promptness in reception and address of public complaints; Identification of officers for capacity building on handling of public complaints; Sensitization of the public on existence of Complaints Handling Mechanisms (referred to as the CHMs in the subsequent discussion);

The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 – disagree, 3 – neutral, 4 – agree and 5 - strongly agree.

Table 4.8. Resolution of Public Complaints

	<b>Public Complaints Resolution</b>	<b>units</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Median</b>	<b>IQR</b>
RPC 1	There is prompt reception and addressing of complaints	%	1.2	2.4	8.8	27.6	60.0	5	1
RPC 2	There is improved access to office facilities	%	1.8	5.3	13.5	26.5	52.9	5	1
RPC3	Lands disputes are handled promptly	%	13.7	12.0	4.2	40.0	30.1	4	3
RPC 4	Succession cases are handled promptly	%	0	0	3.0	37.0	60.0	5	1
RPC5	Domestic violence cases are handled promptly	%	0.0	4.4	13.0	30.4	52.2	5	1
RPC 6	Sexual offences are handled promptly	%	8.5	4.0	3.0	41.0	43.5	4	1
RPC 7	Illegal trade complaints are handled promptly	%	0.0	10.0	22.0	7.5	60.5	5	2
RPC 8	Members are regularly sensitized on complaints resolution mechanism	%	4.0	2.2	1.1	7.1	85.6	5	0

Resolution of public complaints is a key performance indicator under the 'Service Delivery' performance criteria category/ dimension of the performance contract. Notably, the indicator require establishment of complaints handling infrastructure, procedures, adherence to service delivery charter and train heads of departments, section heads on complaints handling.

General reception and addressing of public complaints (RPC 1) was rated highly, with 87.6% of the respondents in agreement that NGA acted on complaints promptly. Only 3.6% were of contrary opinion and 8.8% were indifferent. With a median = 5 and IQR = 1, the level of consensus is unmistakable among respondents.

Specifically, access to office facilities (RPC 2) was rated high (79.4%) hence presented no major concern for complaints. lands disputes were handled promptly (RPC 3). A position supported by 70.1% of the respondents. However, 25.7% disagreed with this position and 4.2% were indifferent. The median = 4 and IQR= 3. This implies a cross section of the

respondents hold strong divergent view against this position. This can be corroborated by the fact that land is a very emotive issues not only in Uasin Gishu County but also in the entire republic of Kenya.

Succession (RPC 4) cases were noted to be handled promptly almost giving 100% consensus as well as cases of domestic violence cases (RPC 5) which returned an agreement rate of 82.6%. Both had a median = 5 and IQR = 1 an indication of consensus on the promptness in resolution. On the other hand, sexual offences (RPC 6) although had high agreement rate of 84.5%, there was 12.5% who felt it needed to be upped. This can be attributed to the intricacies in resolving the offences because occasionally they result to court process which take time to resolve. Finally, almost 100% of the respondents vouched for the sensitization initiative (RCP 8) of heads of departments/sections on complaints resolution with a median = 4 and IQR = 0. This implies a well-informed workforce on dealing with issues raised by the citizens and promptly resolving them for enhanced service delivery.

Table 4.9. Analysis on complaints handling infrastructure and its impact on service delivery

	<b>Complaints handling mechanism (CHM)</b>	<b>units</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Median</b>	<b>IQR</b>
CHM1	CHM has improved service delivery	%	0.6	2.4	8.2	24.1	64.7	5	1
CHM2	CHM has provided a redress mechanism	%	6.0	6.0	1.2	30.2	56.6	5	1
CHM3	CHM infrastructure has enhanced service delivery	%	1.2	2.9	5.9	33.5	56.5	5	1

As presented in Table 4.9, 24.1% agreed while 64.7% strongly agreed that resolution of public complaints through CHMs improves service delivery. Of the respondents, 2.4% disagreed while 0.6% strongly disagreed that resolution of public complaints through CHMs improves service delivery by the National Government Administration. However, there were 8.2% of the respondents who were undecided. There was high consensus amongst respondents that indeed CHM has enhanced service delivery as evidenced by Median = 5 and IQR = 1.

On the redress mechanism, 31.2% of respondents agreed while 56.5% strongly agreed that resolution of public complaints had provided complaints redress mechanism. Of the respondents, 0.6% disagreed while another 0.6% strongly disagreed that resolution of public complaints. There were 11.2% of the respondents who were undecided. The consensus on the role of the CHM providing a recourse for citizens was overwhelming with a median = 5 and IQR = 1.

On the role of public complaints infrastructure on enhancing public service delivery, 33.5% of the respondents agreed while 56.5% strongly agreed. Of the respondents, 2.9% disagreed while 1.2% strongly disagreed. There were 5.9% of the respondents who were undecided. The median = 5 and IQR = 1. This implies that CHMs was viewed by most respondents as an effective tool in the resolution of public complaints thus when utilized well by the NGAOs it could influence how resolution of public complaints impacts on service delivery by the



National Government Administration. However those who disagreed with this argued that some NGAOs "...abuse their powers when handling public complaints by not upholding the guiding principles of effective CHMs – such as: being customer focused; visibility; accessibility; responsiveness; objectivity and fairness; confidentiality; transparency, and; accountability". On the other hand, respondents who felt the complaints redress mechanism facilitated service delivery expressed their position "...NGAOs can no longer solicit for unwarranted financial favours from the vulnerable public who bring complaints in their respective offices. The redress mechanism was prominently displayed at strategic places in offices and contain the required information on official charges for particular services". It follows that the public complaints handling infrastructure is not only operational, but plays a critical role in not only directing the complainants to the right offices but also building confidence in the complainants by assuring them that they are in the right place and that their complaints are going to be handled by the right officers".

## **5. Conclusion and Recommendation**

### *5.1 Conclusion*

Financial stewardship – through utilization of the allocated funds has facilitated service delivery by the National Government Administration. The budget absorption rate due to proper utilization of the allocated funds enhances development processes, hence impacting on service delivery. However, most members of the public lack sufficient knowledge on finance stewardship by the National Government Administration, although they point at development processes as an evidence of utilization of allocated funds. The NGAO's and other HOD's are well informed on finance and stewardship requirements. This is not the case with the general members of public, who had low to no understanding and consequently lacked the capacity to adjudge public service delivery on the basis of adequacy of resources and budget appropriation. Hence, Finance stewardship is a major contributing factor in facilitating service delivery by the National Government Administration. However, there are other factors that impact on service delivery other than financial stewardship.

Human resource management and development impacts on service delivery by the national government administration. This is achieved through competency development, periodic performance appraisal system, knowledge management and continuous improvement of work environment. These initiatives build the capacity of the NGAOs to be accountable, build on citizen satisfaction and attain high budget absorption rate that facilitates optimum development processes.

Resolution of public complaints through establishment of Complaint Handling Mechanisms (CHMs), prompt reception and addressing of public complaints as well as operationalization of Public Complaint Desks (PCDs/ infrastructure), has impacted on service delivery by driving customer/citizen satisfaction and achievement of public participation. The redress mechanism has provided a communication framework which enhances service delivery.

### *5.2 Recommendation*

From the foregoing findings and conclusion, the study recommends:

- Apart from the National Government Administration Officer's (NGAO), NGO's and HOD's, members of the public should be exposed to financial stewardship by National Government Administration to facilitate public understanding of the performance contracting and evaluation by members of the public. Further, there is need to in-built a robust Monitoring and evaluation system to enhance financial stewardship and discipline through accountability for results
- The NGA need to implement the performance contracting guidelines to the latter. There is need to scale up the negotiation process from the public officers to members of public. There should be adequate public participation in program identification according to National Government Coordination Act, 2013
- Establishment of a knowledge repository for the NGA will be a lever in transforming service delivery by the NGAO'S through referencing and documenting best practices
- Owing to the importance of human resource management and development, there is need to tie it to other policies – training, schemes of service and disciplinary procedures in order to tap on the employees latent abilities
- NGA should sensitize the members of public on public complaints infrastructure available and the redress mechanism to facilitate full participation in streamlining service delivery
- Further research on the impact of performance contract through the other dimensions or performance perspectives (Non-financial indicators, corruption eradication and National cohesion and values)

## References

- AAPAM. (2005). *The enabling state and the role of the public service in wealth creation: problems and strategies for development in Africa*. The report of the 26<sup>th</sup> roundtable conference of the African Association for Public Administration and Management Mombasa, Kenya.
- Akaranga, E. M. (2008). *The Process and effects of performance contracting in Kenyan public Sector: MBA Project*. Nairobi. United States International University (USIU).
- Ayee, J. R. (2008). *Reforming the African Public Sector. Retrospect and Prospects: Retrospect and Prospects*. Oxford: African Books Collective. Retrieved from <https://muse.jhu.edu/book/16994>
- Bouckaert, G, Verhoest, K., & De Corte, J. (1999). Public sector performance contracting in Belgium and Flanders. *Performance contracting: Lessons from performance contracting case-studies & a framework for Public Sector performance contracting, [PUMA/PAC (99) 2]*. Retrieved from <http://www.oecd.org/puma/>
- Byamukama, B. (2012). *Performance contract and social service delivery - lessons from Rwanda*. Retrieved from <http://www.genocideresearchhub.org.rw/document/performance-contracts-social-service-delivery>

very-lessons-rwanda/

Cheche, G. S., & Muathe, S. M. A. (2014). A critical review of literature on performance contracting. *Journal of Commerce & Management Perspective*, 3(6), 65-70. Retrieved from <http://gifre.org>

Commission on Administrative Justice. (2016). *The Kenya Public Sector complaint handling guide*. West End Towers, Nairobi: Commission on Administrative Justice. Retrieved from <http://www.ombudsman.go.ke>

Eisenhardt, K. M. (1989). Agency theory, an assessment and review. *Journal of Academy of Management Review*, 14(1). <http://dx.doi.org/10.2307/258191>

Government of Kenya. (2003). *Economic recovery strategy for wealth and employment creation*. Nairobi: Government Printer.

Government of Kenya. (2005): *Sensitization/training manual on performance contracts in the Public Service*. Nairobi: Government Printer.

Government performance result Act, Law 103-62 United States Congress 107 STAT. 285. (1993): Retrieved from <https://www.govinfo.gov/content/pkg/STATUTE-107/pdf/STATUTE-107-Pg285.pdf>

Grapinet, G. (1999). *Public Sector Performance Contracting in France. A case study of performance contracting in Local service management Paris: Ministry of Finance; France*. Retrieved from <http://www.oecd.org/puma/>

Grapinet, G.(2006). *Public sector performance contracting in France: A case study of performance contracting and the management of local services of the Directorate General for Taxes. Paris: OECD*. Retrieved from <http://www.oecd.org/gov/budgeting/1902747.pdf>

Hannoura, A. E. (2014). *Public Private Partnership (PPP) and the Egyptian experience: PPP central unit, Ministry of finance, Egypt*. Retrieved from <Http://www.pppcentralunit.mof.gov.eg>

Hood, C. (1991). A public management for all seasons?. *Journal of Public Administration*, 69(1). <http://dx.doi.org/10.1111/j.1467-9299.1991.kb00779.x>

Hope, K. R. S. (2013). Performance contracting as a performance management tool in the public sector in Kenya: Lessons of learning. *Journal of Teaching Public Administration*, 31(2), 204-217. <http://dx.doi.org/10.1177/0144739413488905>

Hope, K. R., Sr. (2012). Managing the public sector in Kenya: Reform and transformation for improved performance. *Journal of Public Administration and Governance*, 2(4). <http://dx.doi.org/10.5296/jpag.v2i4.2751>

Kernaghan, K., & Siegel, D. (1999). *Public administration in Canada* (4th ed). Toronto: ITP Nelson.

Kobia, M., & Mohammed, N. (2006, December). *Kenyan experience with performance*

*contracting*. Discussion paper presented at the 28th African Association for Public Administration and Management annual round table conference, Arusha, Tanzania.

Kogei, J. K., Magugui, C. K., Yano, K. L., Chepkemei, A., & Chebet, L. L. (2013). The effect of performance contracting on service delivery in the Public sector: Focus on the supply chain department of Moi Teaching & Referral Hospital-Eldoret Kenya. *International Journal of Business and Commerce*, 2(6), 12-19. Retrieved from <http://www.ijbcnet.com>

Kothari, C. R. (2004). *Research Methodology: Methods and techniques* (2<sup>nd</sup> ed.). New Delhi: New Age International.

Lin, C. H. (2014). Effects of cuisine experience, psychological well-being and self-health perception on the revisit intention. *Journal of Hospitality & Tourism Research*, 38(2), 243-265. <http://dx.doi.org/10.1177/1096348012451460>

Lings, I. N. (2004). Internal market orientation construct and consequences. *Journal of Business Research*, 57(4), 404-13. [http://dx.doi.org/10.1016/S0148-2963\(02\)00274-6](http://dx.doi.org/10.1016/S0148-2963(02)00274-6)

Mbua, P., & Sarisar, J. O. (2013). Challenges in implementation of performance contracting in Kenya. *Journal of Public Policy and Administration Research*, 3(2). Retrieved from <http://www.iiste>

Metawie, M., & Gilman, M. W. (2005, September). *Problems with the implementation of performance measurement systems in the Public Sector where performance is linked to pay: A literature review drawn from the UK*. A paper presented at the 3rd Conference on performance measurements, Nice UK. Retrieved from <http://www.studymode.com>

Ministry of Devolution and Planning. (2015). *Performance contracting 12<sup>th</sup> edition guidelines for the financial year 2015/2016*. Nairobi: Government Printer

Mulei, J. M., & Orodho, J. A. (2016). Performance contracting: What is their efficacy in Management of Secondary Schools in Makueni County, Kenya?. *Journal of Research & Methods in Education (IOSR-JRME)*, 6(6), 30-38. Retrieved from <http://www.iosrjournals.org>

Muthaura, F. K. (2007). *Performance Contracts in Kenya: Restoring trust in government through innovations to promote quality of public service*. Nairobi: Government Printer.

Nahavandi, A. (2006). *The Art and Science of Leadership* (7th ed). Edinburg Gate Harlow Essex, England: Pearson Education.

Naidoo, V. (2015). Changing conception of public management and public sector reforms in South Africa. *Journal of International Public Management Review*, 16(1), 23-42. Retrieved from <http://www.iprm.net>

Obong'o, S. O. (2009). Implementation of performance contracting in Kenya. *Journal of International Public Management Review*, 10(2). Retrieved from <http://www.iprm.net>

Ochieng, E. O. (2010). Public Sector reforms and performance contracting: Case study Kenya. Retrieved from <http://www.scribid.com/doc/42930427/Performance-Contracting-in-Kenya>

Omollo, O. (2016, July 30). Commission of Administrative Justice greatest achievement. *The*

*Standard media group*. Retrieved from <http://www.standardmedia.co.ke>.

Petrie, M. (2002). A framework for public sector contracting. *OECD Journal of Budgeting*, 1(3). <https://dx.doi.org/10.1787/budget-v1-art18-en>

Reza, B. M., & Chittoo, H. (2008). An investigation on health information system in the public sector of Mauritius. *International Journal of Current Advanced Research*, 6(9). <http://dx.doi.org/10.24327/ijcar.2017.5631.0765>

Shirley, M. (1998). *Public policy for private sector: why performance contracts for State owned enterprises haven't worked?* Policy Research Working Paper 1769. Washington, D.C.: World Bank Group. Retrieved from <http://documents.worldbank.org/curated/en/763341468779097070/Why-performance-contracts-for-state-owned-enterprises-havent-worked>

Simon, A., Kafel, P., Nowicki, & Casedesus, M. (2015). The development of complaint handling standards in SPA companies: A case study analysis in Spain. *International Journal for Quality Research*, 9(4), 675-688. Retrieved from <http://www.ijqr.net/journal/vq-n4/8.pdf>

Slater, R., Jack, W., & Way, G. E. (1999). Management insights and leadership secrets of legendary CEO. New York: *McGraw-Hill*.

United Nations. Economic Commission for Africa. (2010-12). *Innovations and best practices in public sector reforms: The case of Civil Service in Ghana, Kenya, Nigeria and South Africa*. Addis Ababa. Retrieved from <http://hdl.handle.net/10855/21041>

Uusikylä P., & Virtanen, P. (1999). Public Sector performance contracting in Finland. Paris: OECD. Retrieved from <http://www.oecd.org/gov/budgeting/1902738.pdf>

Vabø M. (2009). New Public Management: The Neoliberal way of Governance. (Working papers, No.4). Retrieved from [https://thjodmalastofnun.hi.is/sites/thjodmalastofnun.hi.is/files/skrar/working\\_paper\\_4-2009.pdf](https://thjodmalastofnun.hi.is/sites/thjodmalastofnun.hi.is/files/skrar/working_paper_4-2009.pdf)

World Bank Department of Institutional Integrity. (2008). *Leveraging complaints handling in projects*. PowerPoint presentation, Washington D.C. Retrieved from <http://www.worldbank.org/EXTSOCIALDEVELOPMENT/Resources>

World Bank Quality Assurance Group. (2009). Governance and Anticorruption in lending operations: *A benchmarking and learning review*. Washington D.C. retrieved from <http://www.siteresources.worldbank.org/INTPREMNET/Resources/GACReport2.pdf>

### **Copyright Disclaimer**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).