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Five-year Performance Contracts and Service Delivery in Local Authorities in Zimbabwe: The Case of Ruwa

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Abstract

Globally, public sector institutions are struggling to offer public services effectively and efficiently. Zimbabwe has introduced five-year performance contracts in the public sector in order to address challenges bedeviling the public sector institutions. This study sought to analyse the impact of five-year performance contracts on local authorities' service delivery. The literature reviewed showed that Zimbabwe's public sector organization have a long-standing history of under performance. Performance contracts were therefore, introduced to rectify performance challenges in the public sector. A qualitative inquiry of a case study indicated that political interference, financial challenges, lack of skills of the employees and lack of commitment of the leaders are among the factors leading to poor implementation of performance contracts. As a way forward research recommends the transformation of the structural mechanisms underlying the implementation of performance contracts, training of employees, reimbursement of local authorities by the central government and inclusion of the lower-level employees in setting of targets. Widespread awareness-raising campaigns of both the need for performance contracts and the benefits of such measures are needed.

Keywords: five-year performance plans, contracts, service delivery, local authorities

1. Introduction

Since the 1980s, developing and developed countries have embarked on a number of public sector management reforms. Public sector reforms that occurred in the 1980s and 1990s were fueled by the inefficiency and ineffectiveness of service provision that failed to promote cost saving and quality improvement (*Economic Commission for Africa (ECA*) 2003:2). Most of the public sector reforms were influenced by the New Public Management (NPM) doctrine. According to *Ayee* (2005:18), the proliferation of Neo-liberalism in the United States of America as well as in some Western countries promoted the institution of reforms in the public service. The reforms sought to enhance the quality of services provided to citizens as well as to better socioeconomic growth prospects (*ECA* 2010:3). The major tenets are grouped into two segments namely ideas and themes that emphasize managerial improvement and organizational restructuring, that is, managerialism in the public sector; as well as ideas and themes that emphasize markets and competition (*Ayee* 2005:12). Fundamental to this study is the concept of performance contracting. *Letangule and Letting* (2012:29) view performance contracting as a public sector reform that has a goal of improving efficiency and effectiveness, while reducing total costs. *Cheche and Muathe* (2014:66) pointed out that performance contracting was first introduced in France in the late 1960s as a tool to improve performance in the public service and it was later embraced by countries such as Korea, Pakistan and India. In the 1990s, the adoption rate of the performance contract system in the public service had improved drastically as many countries had adopted the model *(Ayee* 2005:12). Performance contracts were initially meant for the private sector but the public sector adopted the system as well (*Cheche and Muathe* 2014:67). The pressure for public institutions to attain higher results using little resources was one of the fundamental goals behind the introduction of performance contracts in the public sector (*Zinyama et al*. 2015:2). The demise of colonialism in Africa was followed with a massive growth of public services. Recruitment into the civil service became a platform for leaders to reward loyalty and to extricate important services from non-locals (*Mutahaba* 2011:20). Consequently, there was an increase of the wage bill as compared to the Gross Domestic Product (GDP)forcing African countries to use borrowings from multilateral institutions in order to pay for operational expenses (*Cheche and Muathe* 2014:69). Consequently, Breton Woods's institutions compelled most African nations to institute public service reforms (*Mutahaba* 2011:30). *Larbi* (2010:25) postulates that the World Bank (WB) was one of the primary causes in the introduction of performance contracts in a myriad of third world nations. Most reforms that were propelled by the WB in public sector management were focused on containing costs.

Performance contracts were therefore applauded as the best approach and a promising method of enhancing the performance of public institutions as well as government departments. In Zimbabwe, in the 1980s, the government inherited a huge administrative bureaucracy that was precisely inclined towards the colonizers. It was not proportionate to the social, economic and political imperatives of nation building and transformation of the economy along equity lines (*Agere* 1998). Of significance to note is the *Kavran Public Service Review Commission* of 1987 that reported that the public service had become too large, cumbersome and wasteful. The few available resources were mismanaged (*Zinyama et al.* (2014:8). In addition, public sector organizations was said to be opaque, inaccessible and lacked transparency as well as offering very poor services to the public *(Zinyama* et al. 2014:9). These findings were adopted and the recommendations implemented in stages. According to *Zinyama et al.* (2014:9), the Government of Zimbabwe (GOZ) launched reforms under the mantra of the Framework for Economic Reform (1990-1995), Economic Structural Adjustment Programme (ESAP) (1990- 1995), the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST), the Millennium Economic Recovery Programme (MERP) (2000), National Economic Revival Plan (NERP) (2003) and the Zimbabwe Agenda for Socio-Economic Transformation (ZIMASSET) (2014-2018) among other reforms. Through ESAP, the main goal was to have a 3 paradigmatic shift from the continued intervention of the state in order to have a market-driven economy. The GOZ accepted and introduced Results Based Management (RBM) system in the public service, given effect by *General Letter Number 6* of 2005 to all heads of ministries (*Makumbe* 1997:20). Local authority accounting officers and heads of state enterprises were demanded to sign performance contracts and use RBM approach to foster accountability (*Zinyama et al*. 2014:13). The intention was on achieving results not activities. The GOZ also tied heads of parastatals and local authorities to five-year performance contracts in a bid to improve efficiency and accountability (*Murwira* 2019). This is because governments are increasingly faced with the challenges of providing services but with fewer resources. Five-year performance contracts were introduced as management tools used to define responsibilities and service level requirements necessary for the parties to attain the agreed results. Local authorities in Zimbabwe are mandated to provide a number of services in areas such as sewer reticulation, water supply and sanitation; education; solid waste management; land use; planning; and housing delivery, among others to assist people living in area they are in control of (*Chakaipa* 2010). They also have a bigger part to do in economic development. In this regard, an efficacious performance assessment mechanism is paramount to guarantee that public services are provided effectively. Performance contracting were introduced in local authorities in Zimbabwe, however, there is a continued outcry of poor service delivery in most urban local authorities. This study will be guided by the following research questions;

What is the theoretical framework governing the implementation of performance contracts in Zimbabwe? What is the assumed relationship between performance contracts and service delivery in local authorities?

1.1 Theoretical Framework

1.1.1Principal Agent Theory

According to *Eisehardt* (1989:53), the principal-agency theory aims to find a solution to conflicting problems that can be found in relationships involving principals and their agents. The principle-agency problem emerges when the goals of the principal and agent do not agree. It will be difficult for the principal to substantiate what the agent is literally doing (*Eisenhardt* 1989:53). The danger here is that the principal cannot substantiate if the agent has performed in a proper way. The risk-sharing problem emanates when both parties have varying attitudes toward risk (*Eisenhardt* 1989:53). The differences in the risk preferences and appetite between the agent and the principal is a potential source of problems. The premises of this theory are that people are constrained by selfishness, bounded rationality and risk averse hence they are utility rational maximisers (Roach 2016:30). There is also a conflict of goals that can be found in an organization. What is fundamentally important, principals and agents may share different interests. This theory becomes critical in this study as it is poised to find out if five-year performance contracts may enable both horizontal and vertical accountability, which may in turn enhance service delivery in local authorities. The theory also explains that information is a commodity, which can be bought, and this may lead to information asymmetry (Roach 2016:30). Consequently, moral hazard will develop in principal-agent relationship because of 8 goal divergence and differences in information levels. A moral hazard arises when a principal or an agent is forced to react or act in a way in which one party benefits while the other party does not (Roach 2016:31). It is not atypical for an agent to resort to self-serving behaviours (*Jewwit et al.* 2008:60). Also, an agent may engage in non-compliance activities which may conflict with the principals' primary objectives outlined and expected so as to pursue secondary interests (*Roach* 2016:31).

Agents in public sector organizations may detour from the terms of their contracts and thus breach the terms and conditions of employment contracts (*Van Slyke and Roch* 2004:200). In line with this study, this theory will help to find out how five-year performance contracts that were designed for senior managers of local authorities may control their behaviour in relation to service delivery. A contract that stipulates terms and conditions for the relationship between the principal and the agent is, therefore, fundamentally important. According to *Roach* (2016:33), contracts within the public sector context for agent should specify the type of services, tasks to be carried out within specific deadlines, the criteria to be used to evaluate performance, as well as the determination of inputs and outcomes and details of stipends and other rewards. This theory is fundamental to this study as it seeks to find out if these targets are being set and to what extent do they enhance service delivery in local authorities in Zimbabwe. The overall significance of the principal-agency theory in this study is in explaining the essence of performance contracts in the public sector.

1.1.2 Public Choice Theory

The wave of new political economy literature in 1970s led to the emergency of the Public Choice Theory (*Eryılmaz* 2015). The inadequacy and failure of other approaches such as the Weberial Model led to the theory to analyse the failure by institutions and individuals and come up with the Public Choice Theory. Governments' methods began to be aligned to public welfare and hence the theory was conceptualised to mean the economic methods on politics became the "collective action problem" and the problem of collecting the choices *(Borooah* 2005: 1; *McLean* 1991: 9). *Aye* (2005: 6) added that there are four principles that underscore the Public Choice Theory, that is, the pursuit of personal interests by public officials, social entities as sets of individual actors, political interaction as based on voluntary exchange, and that politics require law to govern the relationship between the state and the citizens. Therefore, *Hughes* (2003: 11) posits that the Public Choice Theory's roles was to offer nine alternative policy choices especially by paving way to competition and allowing private sector managerial activities into the public sector. In line with the above, the fact that some public officials seek to maximise their own interests is critical since the study seeks to find out whether five-year performance contracts can control the behaviour of the agents. Moreover, because citizens provide local authority managers with resources, they expect efficient service delivery in the public institutions' operations (*Tullock* et al. 2002). Ratepayers provide local authorities with financial resources thereby expecting good service delivery in return. The public choice theory is important because it points out that ratepayers expect services that commensurate with what they pay to local authorities. Moreover, according to *Mengste* (2020:12) the public choice theorists established accountability in the form of results-oriented management. The institutionalization of performance contracts tries to move public sector organizations from accountability for inputs, which comprise mainly following rules on expenditure and staffing to accountability for outputs (which are made up of performance) (*Mengste* 2020:13). Congruent with this study, this theory will also help to establish whether the introduction of five-year performance contracts in local authorities has improved vertical and horizontal accountability.

1.2 Literature Review

1.2.1 Performance Contracting

The WB (1995 as cited in *Larbi* 1999:23) view a performance contract as a written or negotiated contract between government and the management of public institutions and other autonomous units that have a direct hand in the delivery of public services. Quantifiable targets indicated for a specified for a given period should accompany this provision of public services. Performance should be also measured against targets at the end of the period that has been agreed. *Kumar* (1994 as cited in *Ochola* 2019:4) defines performance contracting as a management tool that is used in the defining responsibilities and prospects among parties to accomplish a common agreed goal. This definition by *Kumar* (1994) views performance contract as a memorandum of understanding between parties involved. *Ibrahim* (2020:95) also understands performance contracting as a management tool for measuring the targets of performance between the principal that could be the government and the managers of state public organizations as the management of the agency. *Hope* (2001:13) is of the view that performance agreements outline the expected levels of performance or measurable goals which a principal expects agents in the public sector to meet over an agreed period. *Okechi* (2017:199) adds that performance contracting includes the agreement performance targets and goals for individuals and groups to channel their efforts towards achieving the objectives of a public entity. An analysis of the above definitions indicates that performance contracting explicitly includes clear definition of objectives, performances leading to the

consequences of the contractor as well as collection of data on performance indicators. The major rationale of performance contracting according to *Armstrong and Baron* (2004 as cited in *Joseph et al.* 2014:7) is to guarantee delivery of quality service to the public transparently and to safeguard 11 the viability of organization. This is because performance contracts clearly stipulate the desired results from the contractor. *Larbi* (1999:23) explains that the major goal of performance contracts is to clearly point out the objectives of an organization in consideration of the association it has with government, and to promote performance evaluation based on results instead of adherence to formal rules and regulations. Performance contracts are referred to by various names in different countries. The most popular terms include: performance contracts, contract plan, contract programme, letter of agreement, performance agreement and memorandum of understanding (*Gitiba* 2012:17). For the purpose of this study, the term performance contracts will be used. In this study, performance contracting is therefore defined as a management instrument to help local authority managers and policy makers to specify responsibilities and expectations between the contracting parties to achieve common mutually agreed goals to improve service delivery

1.2.2 Public Service Delivery

The Organization for Economic Cooperation and Development (OECD) (2010 as cited by *Makanyeza et al*. 2012:3) indicates that public services encompasses services that the government provides either directly or indirectly, in addition to those services the government significantly influences. In provision of public services, accountability both downward and upward is of fundamental importance. *Therkildsen* (2001:20) argues that the maximisation of outcomes for given inputs (efficiency) and the extent to which the objectives of a policy are achieved (effectiveness) are also important. Public service delivery in this study is defined as services that a local authority are mandated to provide to local residents through statutes and the constitution.

1.2.3 Antecedents and the Rise of Performance Contracting in the Public Sector

According to the *ECA* (2003:1) since the 1980s, both developed and developing countries instituted public management reforms as the public sector had immense pressure to adopt practices by the private sector. *Katelaar and Turckisch* (2007:8) argue that public service reforms during the past decades were geared towards the improvement of results, delivery of service and cost containment via the introduction of results-oriented budgeting and the utilization of contractual systems. Senior Managers of the public institutions have entered into performance agreements as part of the public service reforms introduced in many countries. 12 These performance elements outline goals that should be met, which targets are also tied to compensation. *Katelaar et al*. (2007:9) attribute the increase in popularity of performance-based contracts for civil servants in managerial posts to two major explanations. The need to separate politics and administration is argued to be the cornerstone for the ongoing reforms on performance management. *Katelaar* (2007:11) is of the view that when politics and administration cannot be separated, focus is put on influencing the choice of performance goals rather than on their attainment. The other force for performance management reforms is the need to better efficiency and productivity. *Ngetich* (2015:887) concurred with *Katelaar et al.* (2007) that performance contracting aimed to improve efficacy and efficiency in the administration of public sector institutions. *Simiyu* (2012:43) reiterated that performance contracts were birthed from the notion that the public sector performance has been incessantly below the public's expected levels. There is continued demand for quality services from the tax payers and other stakeholders that has forced many nations to adopt and implement institutionalized public sector reforms with the goal of improving efficiency, effectiveness and ethical delivery of services to the populace *(Okech* 2017:199). These public sector reforms are centred on outputs and results instead of inputs. They also sought to improve on target setting and follow-ups through performance contracting. Performance management reforms have been influenced by the NPM (ECA 2003:6). The chief target in the reforms by the NPM is that more cost efficiency can be attained in the public sector through increased market focus and this can be done without negating other goals and priorities. NPM targets to enhance the operations of the public service organizations for governments to be more effective and efficient (*Hood* 1991:16). For instance, in the United Kingdom, performance indicators were used in the measurement of public sector performance in accordance with NPM tenets (*Halligan et al*. 2010:43). It is imperative to note that the NPM doctrine is the fundamental cornerstone of performance contracting in the public service. According to *Ibrahim* (2020:96), the publication of the Nora Report in France, advocating for the reform of government institutions gave rise to performance contracts. Performance contracts were introduced when public sector institutions had a crisis of poor service delivery and the realization by the government that losses from public sector organizations were draining resources (*Ngitiba* 2010:17). *Sila* (2018:804) affirms that performance contracting was practiced in the UK with the motive of regulating the energy sector towards ability to access 13 capital and make upfront investments, guarantee in reduction of cost and as a long-term solution to energy raising costs. To achieve its objectives, the UK targeted the streamlining of technical solutions, adequate financing, keeping track record and timely delivery of services and ensuring budget certainty.

According to *Andrew* (2012 as cited by *Sila* 2018:803), performance contracts were later introduced in Britain to push for reforms that are geared towards the measurement of performance to improve management of state functions in the public sector. This was done in conformity with NPM. To *Christensen* (2015:50) performance, contracting was introduced in Denmark in 1992 to improve policy control, efficiency and instil public confidence in citizens through transforming government institutions into responsive, efficient and effective institutions. *Hope* (2001:128) alludes to the application of performance contracts in civil services of African due to the perception of unprofessionalism and incapacity to address emerging problems associated with their governments. The public service was argued to be too huge in size as compared to its outputs and it was immune to dysfunctional rigidity (*ECA* 2003:5). It is also alleged that the public sector enterprises were not concerned about measuring their performance however; they were obsessed with their own procedures and laws instead of facilitating the fulfilment of the interest of the public, which they serve. Corruption was reported to be rampant. *Rael and Kiptum* (2017:30) resonate well with *Hope* (2001) by indicating that shoddy performance of public institutions in most African nations justified novel and innovative reforms in the public sector as a solution to such challenges. To this end, performance contracting was more of a solution to the challenges that existed in service delivery and accountability vis-a-vis public institutions and their governments at large (*Sanderson* 2001:310). *Larbi* (2010:320) argues that the World Bank was instrumental in pushing for the adoption of performance contracting in most third world countries. Most reforms initiated by WB in public sector institutions focused on containing costs. For example, Swaziland in Africa promulgated the Public Enterprise Act in 1989 to guide quasi-government institutions in response to complaints by the people of Swaziland that such agencies were wasting public funds (*Cheche and Muathe* 2014:66). In Kenya, the introduction of performance contracts by the government after 2003 was meant to provide a management instrument to foster accountability and transparency in the utilization of public funds (*Ochola* 2019:5). Resultantly, the expectations of the Government of Kenya were to the effect that the delivery of service would improve; the use of resources would become more efficient; a culture of performance would develop within the public sector; as well as the promotion of self- sustenance by public agencies (*Obong'o* 2009:76). Many African countries, such as Cameroon, Guinea, Togo and Morocco among others, implemented performance contracts for senior civil service like permanent secretaries and heads of government agencies (*Ibrahim* 2019:96). Peradventure, the most remarkable tenet of performance contracting in the past 20 years was the extent of dedication and interest in the measurement of performance at a global level (*Zakaria* 2014:53). The 1990s saw the onset of the adoption of performance management but the mid-1990s was characterized by an upsurge in the use of the system (*Bouckaert and Halligan* 2008: 11). This popular conception sustained in the 2000s with an outstanding momentum with the pillars being the measuring of performance and reporting performance in governments (*Zakaria* 2014:54). According to Thomas (2003:1), this resulted in a popular notion that, "if you cannot measure performance, you cannot manage it as well". The concept of performance contracting was propelled by the notion that measurement of performance and identification of shortfalls such as non-performers allow remedial action to be taken. However, it is imperative to note that the context of performance contracts differ among countries and the national culture. It is also noteworthy to point out that, there are limited studies that focuses on performance contracting and service delivery in local authorities (Hughes 2003). By studying how performance contracts are being implemented in Zimbabwe local authorities, it may address the effectiveness of government programmes at this tier of government. In addition, the institutionalization of performance contracts in local governance is relatively new in Zimbabwe.

1.3 Discussion of Findings

1.3.1 Constitutionalism of Five-Year Performance Contract

This study found out that in Zimbabwe, five-year performance contracting is constitutional. Five-year performance contracting is also contained in the *Public Entities Corporate Governance Act (PECG)* (Chapter 10:31). The promulgation of the 2013 Constitution of Zimbabwe heralded the new era concerning performance in the public sector. Critical to this study is Section 205 (2) of the Constitution that clearly stipulates that “the term of office of Permanent Secretary is a period of up to five years and is renewable once only subject to competence, performance and delivery”. The five-year performance contracts for permanent secretaries were cascaded to heads of parastatals, state enterprises and local authorities. It was also revealed that guidelines for the implementation of five-year performance contracts are stipulated in the *PECG Act* (Chapter 10:31). Section 22 of the act guides the public sector entities on the administration of five-year performance contracting. Subject to the provisions of the above-mentioned Act, each public entity must draw up strategic plans that set the entity's objectives and priorities for a period of between two and six years, determine the manner in which the entity is to achieve those objectives and priorities; and strengthen the entity's management systems with a view to achieving those objectives and priorities. This is commendable because the literature established that the foundation of any performance contract is the organization's strategic plan (*Hope* 2013). A strategy The *PECG Act* (Chapter 10:31) Section 23 (1) states that “Upon the appointment of a person as chief executive officer or senior staff member of a public entity, the board of the entity shall require him or her to enter into a written performance contract with the board, in accordance with this section”. What is more, critical to this study is the idea that the Act in Section 23(b) points out that the performance contract must prescribe the penalties, including dismissal, suspension and forfeiture of remuneration or other benefits, to be incurred if the person fails to perform his or her duties efficiently in accordance with the contract. The managers’ performance must be evaluated by the board entity every six months in case of a chief executive officer and that applies to other senior staff as well.

1.3.2 Conflict Between Provisions of Five-year Performance Contracts and Provisions of Contract of Employment for Local Authorities’ Employees

This study established that the provisions of the five-year performance contracts conflict with the provision of the contract of employment of the employees of the local authorities. This then is a big challenge as one participant pointed out “the chief executive officers view performance contacting as threat to their job security. The contract is vulnerable to political manipulation”. This is a great challenge in the implementation of five-year performance contract since section 2(3) of the *Labour Act* (28:01) stipulates that the Act prevail any other enactment inconsistent with it. Variance of the Acts is not the subject of this study but it complicates the implementation of five-year performance contracts in local authorities since they are already seen as a threat to employee job security. It was established that after the designing of the strategic plans by local authorities, the local board secretary/chief executive officer chooses issues concerning service delivery that one must include in his/her performance contract. The five-year performance contract is signed between the council and the chairperson of the Ruwa Local Board. The performance contract is shared with the management then the management will make it a point that the departments must work towards fulfilling the town secretary's performance contract. The chairperson of the Ruwa Local Board is the one who assesses the town secretary to evaluate if he/she is performing according to the dictates of the performance contracts. This study finding resonates well with *Katelaar et al*. (2007) who argue that senior civil servants develop performance-based contracts to promote performance thereby improving service delivery. One senior manager who seem to be very much conversant with five-year performance contracts indicated that coming up with the targets; the needs of the community must be the chief targets. This must be done after a thorough consultation with the residents. However, the senior manager bemoaned the lack of this consultation due to lack of resources. That means most targets in the performance contracts are not the needs of the residents. One of the councillors revealed that the evaluation of the five-year performance contract is done through comparing what has been achieved to what was suggested. This study found out that what is lacking on the evaluation is proper and transparent feedback to the residents for accountability. The mayor is the one who supervise the implementation of the performance contract and evaluates again together with the Ministry of Local Government and Public Works. In Rwanda, evaluation is done by a team that is composed of members from the Ministry of Local Government, the Prime Minister's Office, the Ministry of Finance and Economic Planning, the Rwandan Association of Local Government Authorities, the implementation secretariat, and civil society organizations at the end of the fiscal year (*WB* 2019:6).

This type of evaluation makes local authorities managers work towards the targets chiefly because there is reward that is commensurate with the success of any performance contract. According to the *NDS1* (2012-2025) and the *PECG Act* (Chapter 10:31), the five-year performance contracts are championed by the tripartite team that monitors the implementation of five-year performance contracts. This team is limited to the Office of the President and Cabinet (OPC), Public Service Commission (PSC) and Ministry of Finance and Economic Development. Contrary to fundamental logic of devolution, councils appear to be a subsidiary of the central government without its own discretion.

The dependence of local authorities on grants from central governments creates a relationship that compromises the citizenry in setting performance benchmarks for their local authorities. Residents directly benefit and are affected by the operations of a local authority, one would anticipate that at least, their elected councillor to the local authority would have had taken part in formulating performance benchmarks for local authorities to fulfil.

1.3.3 Targets Which Direct the Performance of Local Authorities not Indigenously Generated

Nevertheless, targets that direct the performance of local authorities are not indigenously generated as they are shaped by guiding principle developed and circulated by the central government through the NDS1 to all local authorities countrywide. The performance contracting success story in Rwanda that was used in the case experiences in this study proved out that the success of performance contracting was because development targets at the district level were partly influenced by the central government's agenda (defined in the *EDPRS and Vision 2020),* and partly influenced by discussions and demands from local communities (WB 2019). The relationship between the central government and local authorities is an ongoing thorny issue. However, this subject is beyond the objectives of this study.

1.3.4 Resistance From Ruwa Local Authority Leadership

Fundamentally, this study sort to find out obstacles faced in the implementation of five-year performance contracts at Ruwa Local Board. It is through pointing out the challenges that possible solutions can be recommended. Resistance of some of the employees and key leadership was indicated to be a primary challenge. One senior manager puts it this way: I think it is just formality … for some department heads, just for them to think outside of their day to day is challenging. Like, how do you tell the street cleaner, give me a key performance indicator when you are cleaning the streets, mowing grass, collecting refuse and small objects … they are like, that is my work, day in and day out. Right? But there is certainly cooperation, interdepartmental cooperation." Even the senior managers understood that performance contracts when implemented will enhance service delivery; however, five-year performance contracting was viewed as a threat to the job security of the chief executive officers. Part of the clause as provided in the Zimbabwe Constitution includes that the term of the managers of local authorities is five years and is renewable on subject to competence, performance and delivery. One senior manager argued that "competence is relative…it depends on many seen and unforeseen factors. Politics play a role again". Political interference was also mentioned to be a major problem in five-year performance contracts. As mentioned by one participant, "the town board secretary may have his/her targets but councillors might need their targets also as policy makers and at the end their targets will prevail though not achievable. Councillors choose targets that enhances their political mileage in the community". This clash between councillors as elected members and technocrats has been a long-standing issue in the Zimbabwe local government. The clash between technocrats and councillors manifests itself where councillors sometimes dismiss the local authority citing incompetence, however, the responsible Ministry may reinstate the person implicated. Focus group discussions argued that the town clerks/secretaries and chief executive officers are aggrieved by the way the five-year performance contracts were introduced. It was revealed that, performance contracts were just introduced without any explanation of the benefits that will accrue to the local authority managers. A lack of commitment among leadership in promoting a performance-based work culture is cited in other studies as a chief impediment (*Ammons et al*. 2015). The scholars argue that without committed and motivated leadership, there can be no adoption of public management innovations like performance contracts, even if other impediments were not an issue. That is to say, the whole process of introducing performance-oriented methods into an organizational culture begins with motivated leaders who have embraced the concept and have promoted policies to that effect.

1.3.5 Recruitment of Some Top Officials on Patronage Basis

The clash between councillors and technocrats is worsened by the fact that some technocrats are also recruited on patronage basis. This has also raised another critical challenge in the administration of five-year performance contracts in local authorities, that is, political appointments of town clerks, secretaries and chief executive officers. It was indicated that political appointments start from the permanent secretaries and cascades down to the recruitment of the local authorities manages. This creates the problem of "sacred cows". It was revealed that it is difficult to evaluate the five-year performance contracts of these anointed managers. Moreover, even if the evaluation is done, it will be subject to abuse in order to protect the "sacred cows" positions even if they are not performing as per the contract requirements.

1.3.6 Lack of Skills

Skills both of lower-level employees were also highlighted to be a hindrance towards the implementation of performance contracts. One participant who is a lower-level employee argued that "a lot of people may not have the skills and training to understand performance contracts" concerning training issues, one councillor noted that formal training in performance contracts and the concept of continuous improvement is not common among their staff, and so implementing that kind of system would be an obstacle for their local authority.

1.3.7 Financial Challenges Bedeviling the Operation of Local Authorities

Another critical challenge that was brought out is financial challenges bedeviling the operation of local authorities. Local authorities' revenue collection is very poor due to interlocking factors. Factors that were mentioned by most participants include but not limited to declining economy, politics, poor revenue collection strategies, non-revenue water and poor service delivery by local authorities. Financial challenges are a critical issue since the targets in the performance contracts need money to be fulfilled.

1.4 Recommendations

The participants recommended several methods through which the obstacles highlighted can rectified. Proper training of all the employees from the local authority managers to the lower-level employees was seen to be necessary. It was argued that everything should start by the recruitment of employees based on meritocracy. The employees of the councils were encouraged to have the same interpretation of targets. Managers were encouraged not to have the silo approach of management. It was also argued that the employees must be sensitized on performance contract. Furthermore, it was suggested that local authorities must enhance institutional structures and procedures, for example to have staff that can deal with issues of performance who is responsible solely for that duty. The central government through the responsible Ministry was encouraged to do regular inspections of local authorities as well as to avail funds to support some of the mandates of the local authority. Local authorities were advised to have financial discipline sticking to budgetary allocations, and practise transparency and accountability.

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