EFFECTIVENESS OF PERFORMANCE CONTRACTING ON PUBLIC SERVICE DELIVERY: A STUDY OF THE STATE DEPARTMENT OF DEVOLUTION IN KENYA

by

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14 - 0116

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In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of requirements for the Master of Arts degree.

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DECLARATION

EFFECTIVENESS OF PERFORMANCE CONTRACTING ON PUBLIC SERVICE DELIVERY: A STUDY OF THE STATE DEPARTMENT OF DEVOLUTION IN KENYA

I declare that this is my original work and has not been submitted to any other college or university for academic credit.

Signed: Regina N. Waithaka
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First, I thank the almighty God for giving me the opportunity and enabling me to accomplish the course. My sincere appreciation goes to my supervisors Dr. Kennedy Ongaro and Dr. Stephen Manya. Their professional guidance and tolerance enabled me to complete this thesis successfully.

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LIST OF ABBREVIATIONS AND ACRONYMS

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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>ASALs</td>
<td>Arid and Semi-arid Lands</td>
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<tr>
<td>ERWEC</td>
<td>Economic Recovery Strategy for Wealth and Employment Creation</td>
</tr>
<tr>
<td>GoK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>MDAs</td>
<td>Ministries, Departments and Agencies</td>
</tr>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
</tr>
<tr>
<td>NACOSTI</td>
<td>National Council of Science and Technology</td>
</tr>
<tr>
<td>NPM</td>
<td>New Public Management Theory</td>
</tr>
<tr>
<td>PAS</td>
<td>Performance Appraisal System</td>
</tr>
<tr>
<td>PC</td>
<td>Performance Contracting</td>
</tr>
<tr>
<td>PRSP</td>
<td>Public Service Reform Program</td>
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<tr>
<td>RBM</td>
<td>Result Based Management</td>
</tr>
<tr>
<td>SMART</td>
<td>Specific, Measurable, Achievable, Realistic and Time Bound</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Scientists</td>
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ABSTRACT

In Kenya, performance contracts originated from the perceptions that the performance of the public sector had been consistently falling below the expectations of the public. As part of reforms, the Government of Kenya adopted the application of performance contracts in the management of the public service by the year 2004. A lot of research had been carried out on performance contracting but had not focused on the effects of performance contracting on public service delivery in the State Department of Devolution (SDD), hence the necessity of this study. The objectives of this study were to establish the perceptions of civil servants on performance contracting system in SDD, to assess the level of involvement of civil servants in performance target setting in SDD, to establish the effects of planning on service delivery and to examine the challenges experienced in the implementation of performance contracting in SDD. The research worked with a target population of 75 civil servants. It utilized a descriptive research approach; stratified random sampling technique; data collection tools were questionnaires and interviews. Data analysis was done using SPSS version 20.0. Study findings indicated that since introduction of performance contracting, service delivery in the State Department of Devolution had improved. Also identified were challenges facing the implementation of the performance contracts such as inadequate capacity and resources; and lack of acceptability of performance contracting system by some of the employees. The study recommended that there could be continuous training of the employees to increase their understanding of the concept of performance contracting. Adequate resources be provided to enable the employees achieve their targets and hence improve service delivery.
DEDICATION

Dedicated to my parents, Mr. John Maina, and Mrs. Susan Wairimu, beloved husband,
Wilson Waithaka, and lovely children, Evelyn Gathoni, Derrick Kieru and Aaron Maina.