

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

A thesis presented to the School of Human and Social Sciences

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APPROVAL PAGE

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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

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

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## TABLE OF CONTENTS

ACKNOWLEDGEMENTS .....	v
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
LIST OF ABBREVIATIONS AND ACRONYMS.....	x
ABSTRACT.....	xi
DEDICATION.....	xii
CHAPTER ONE.....	1
INTRODUCTION AND BACKGROUND TO THE STUDY.....	1
Introduction .....	1
Background of the Study.....	3
Performance Contracting in Kenya.....	4
State Department of Devolution Overview .....	9
Statement of the Problem.....	10
Purpose of the Study.....	11
Objectives of the Study.....	11
Research Questions.....	12
Justification of the Study.....	12
Significance of the Study .....	12
Assumptions of the Study.....	13
Limitations and Delimitations of the Study.....	13
Definition of Terms .....	14
Summary .....	15
CHAPTER TWO.....	17
LITERATURE REVIEW .....	17
Introduction .....	17
Theoretical Framework.....	17
General Literature Review.....	18
Empirical Literature Review.....	28
Conceptual Framework.....	31
Discussion.....	32
Summary.....	32
CHAPTER THREE .....	34
RESEARCH METHODOLOGY.....	34

Introduction .....	34
Research Design .....	34
Population.....	35
Target Population .....	35
Sample Size .....	36
Sampling Technique .....	37
Data Collection Instruments .....	37
Data Collection Procedures .....	38
Pretesting .....	40
Data Analysis Plan.....	41
Ethical Considerations .....	41
Summary .....	41
CHAPTER FOUR.....	43
DATA PRESENTATION, ANALYSIS AND INTERPRETATION .....	43
Introduction .....	43
Presentation, Analysis and Interpretation .....	43
Summary of Key Findings.....	54
Summary .....	55
CHAPTER FIVE.....	56
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS .....	56
Introduction .....	56
Discussion of Key Findings .....	56
Conclusions .....	63
Recommendations .....	64
Areas for Further Research.....	65
REFERENCES .....	66
APPENDICES .....	71
Appendix A: Questionnaire .....	71
Appendix B: Interview Schedule .....	76
Appendix C: Data Collection Approval .....	77
Appendix D: NACOSTI Research Approval.....	78

## LIST OF TABLES

<i>Table 3.1: Population</i> .....	35
<i>Table 3.2: Target Population</i> .....	36
<i>Table 3.3: Sample Size</i> .....	37
<i>Table 4.1: Age Group of the Respondents</i> .....	44
<i>Table 4.2: Respondents' Understanding of Performance Contracting</i> .....	47
<i>Table 4.3: Respondents Who had Signed a Performance Contract with their Employer (SDD)</i> .	47
<i>Table 4.4: Descriptive Analyses on Work Planning</i> .....	48
<i>Table: 4.5: Descriptive Analyses on Target Setting</i> .....	50
<i>Table 4.6: Descriptive Analysis on Performance Monitoring and Evaluation</i> .....	52
<i>Table 4.7: Challenges Encountered in the Implementation of Performance Contracting System</i>	54

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LIST OF FIGURES

*Figure 2.1: Conceptual Framework* ..... 31  
*Figure 4.1: Gender of the Respondents* ..... 44  
*Figure 4.2: Number of Years Respondents Worked in the SDD*..... 45

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## LIST OF ABBREVIATIONS AND ACRONYMS

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

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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.

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