

Adoption of Performance Contracting Implementation and Target Achievement of Academic Programmes in Public Universities in Kenya

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Abstract: *The study determined how adoption of performance contracting implementation influences the target achievement of academic programmes in public universities in Kenya. This study used a cross-sectional study design and mixed method design. The target population of this study was 8789 postgraduate students who enrolled in 2015 and 2016, deans of schools, chairpersons of departments and principals/directors of colleges in the six colleges of the University of Nairobi. Currently, there are seven colleges in the University of Nairobi, but the latest college of Open and Distance Learning is still young to be evaluated. The study's sample size was reached at using Slovin's Formula. The current research sample size was made up of 389 respondents. The study adopted purposive sampling and simple random sampling in the selection of the sample size. Secondary and primary data helped the researcher find data and information that is relevant to the study. Questionnaires and key informant interviews were used to collect primary data. The researcher, so as to improve the research instrument's reliability and validity, conducted a pilot test. Questionnaires were distributed to the respondents which provided data that was quantitative in nature. Additionally, qualitative data was obtained from key informative interview guide and was analyzed using thematic analysis. Descriptive statistics included percentages, mean, frequency distribution, and standard deviation. Inferential statistics focused on Pearson correlation and regression analysis. Regression analysis was used to determine the relationship between the elements under investigation. It was established that adoption of performance contract implementation had a positive influence on the target achievement of academic programmes in Public Universities ($\beta=0.348$, $p\text{-value}=0.000$). The research established that the implementation of performance contracts in the University of Nairobi was facing resistance to change. This research recommends that the University of Nairobi should adopt change management practices such as involvement of all staff, effective communication and training.*

Keywords: Performance Contracting, Implementation, Target Achievement

1. Introduction

The main role of all the governments globally is to provide the best services to their citizens and improve their welfare and achieve their laid down goals including to meet wide, sustainable quality citizen needs (Nthia, 2014). The public service sector is among the sectors that are essential in providing the needed public services which help the nation's economy grow (Nkobe & Kenyuru, 2015). When service delivery becomes ineffective or constrained, it affects the nation's development process and quality of life of its citizens. However, governments all over the world are facing a challenge of improving service delivery while using fewer resources to provide these services (Abdisalan, 2012). In Asia, the concept of performance contracts has been adopted by China, Korea, Sri-Lanka, Malaysia, Pakistan and Bangladesh. In Latin America countries that have adopted performance contract include Brazil, Bolivia, Colombia, Chile, Argentina, Venezuela, Uruguay and Mexico. Other countries include Canada, United Kingdom and the United States (Feltham, Hofmann & Indjejikian, 2015).

In the last two decades, poor performance in public agencies in Africa has necessitated the development of public sector

reform strategies (Waithera & Wanyoike, 2015). Countries like Gambia, Nigeria, Ghana and Kenya started using performance contract in the management of public service in the year 2005. The 2008/2009 East Africa Community performance contract indicated that the member states (Uganda, Kenya and Tanzania) were expected to implement the 2007-2012 strategic plan that was developed to help in the development of appropriate work plans that were based on performance targets.

In Public Universities in Kenya, PC is signed at three levels. At the first level, the Cabinet Secretary of Education and the Cabinet Secretary of the National Treasury and Planning counter-signs the PC with the Chairman of the University Council and an Independent Council Member. At the second level the University Council signs the PC with the Vice-Chancellor. At the third level the Vice-Chancellor signs the PC with Principals, Deans of Faculty and Heads of Institute (Republic of Kenya, 2015). In addition, Public Universities in Kenya have written policies that communication commitment to achievement of academic goals to students, donors, staff, other stakeholders, research collaborators and the general public. The critical success factor for successful adoption of PC which are in subsequent subsection include:

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PC planning, PC implementation, PC monitoring and evaluation and communicating of PC results.

According to Fernandez (2009), the implementation of any strategy is an important undertaking for public and private firms. The implementation process is often understood to be the allocation of the organization's resources and coming up with a new structure for the organization (Mishra & Potaraju, 2015). Performance Contract implementation in Kenya started in 2004 when state corporations were required to improve the performance of tasks so as to increase the job satisfaction rates for members of staff, this satisfaction does lead to increased performance of jobs. This leads to visible and improved financial performance. Performance contract is a strategic management tool in which principals sign a performance agreement with their agents on various deliverables (Fiegener, 2005). Such deliverables may be profit, service standards, staff turn-over and many other business activities. The aim of performance contract both in public and private organizations is to improve the effectiveness and efficiency in the management of the organization's affairs.

Over the years, the University of Nairobi has consistently performed well in its performance contracts. In the results for the year 2008/2009, the University of Nairobi was position 2 and position 3 in the results for the year 2009/2010. In addition, the institution was ranked first among state institutions in an evaluation done by the government for performance contracts in the financial year of 2010-2011 (VarsityFocus, 2012). Due to these good consistent results the University has become a leader in performance contract implementation.

Despite the increasing performance of the University of Nairobi among state corporations in Kenya and the increasing enrollments in each of its colleges, the number of students graduating every year has been fluctuating. For instance, the number of Bachelor's degrees students who graduated in the year 2012 was 7288, which increased to 8589 in the year 2013 before decreasing to 8109 in the year 2014 (University of Nairobi Annual report, 2014). Similarly, the number of diploma students who graduated in the year 2012 was 2472, which decreased to 2113 and 2063 in the years 2013 and 2014, respectively. However, in the year, 2012, the number of PhD students who graduated was 79, which increased to 94 in the year 2013 and 124 in the year 2015. In the year 2016, the University of Nairobi awarded a total of 57 degrees, which is a decrease from 124 in the year 2014. The number of Masters Students who graduated in the year 2012 was 3061, which increased to 3409 in the year 2013 and 3477 in the year 2014 (University of Nairobi Annual report, 2015). A customer satisfaction survey conducted by the University of Nairobi in 2013 revealed that 49.6% of the students were satisfied with the teaching facilities, 50.2% were satisfied with the reading materials, 57.5% were satisfied with the lecturers' competence and commitment, 50.3% were satisfied with the learning environment and 57.6% were satisfied with social amenities. Despite the University performing well in performance contracting, target achievement of academic programmes in the University is still low.

Studies conducted on performance contract have looked at performance contract as an administrative, political and societal tool and as a tool to enhance employee commitment (Kemboi, 2015). Therefore, there is little empirical evidence on studies focusing on the effect of the adoption performance contract implementation and how it influences organizational performance. This study hence sought to fill this gap by establishing the influence of the adoption of performance contract implementation on the target achievement of academic programs in the Public Universities in Kenya with a focus on the University of Nairobi.

2. Literature Review

Target Achievement of Academic Programmes in Public Universities

Target achievement refers to a benchmark that represents success at attaining a particular outcome, desired level of efficiency, satisfaction in public universities (Kadai *et al.*, 2006). The concept of Target Achievement recognizes that an organization is a result of assets that are productive which include physical, capital and human resources which come together to attain a shared goal. Gakure, Muriu and Orwa (2013) point out that, target achievement is proof of a firm's effectiveness. There are other pointers that can be used to quantify how an organization achieves its targets including efficiency, relevance to stakeholders, financial viability and effectiveness. Achievement of targets in an organization can also be classified as financial or non-financial (Gaunya, 2014).

Financial target achievement refers to the ability of the firm to achieve economic objectives, while non-financial target is centered on operational performance which includes efficiency, market share, new product development and innovation (Jiang & Seidmann, 2014). For a firm to achieve total effectiveness, it shows that the organization has a wider conceptualization of achievement of targets and can be done in form of measure of the overall performance, reputation, goals achievement, perceived total performance compared to competitors and survival. Githemo (2006) proposed that Universities use research output and publications, student enrolment, grant funding, rankings, graduation (completion) rates, curriculum development and faculty reputation as a measure of performance or achievement of targets. Since financial targets of universities are measured through annual financial reports which are published yearly as a measure of performance achievement, this study will adopt a non-financial measures and it will narrow down to curriculum development, publications, teaching and learning facilities and students' progression which comprises of enrollments and graduations.

The Government of Kenya (GoK) has also institutionalized PC system as a measure of performance for all Ministries, Departments and Agencies. Their performances are based against a set of criteria and given a weighting set at the beginning of a contracting period such as a financial year. The criteria includes; financial and non-financial measures, service delivery, operations and qualitative measures. However, the most common measures of performance in public universities include Curriculum development,

publications, quality of teaching and learning facilities and students' progression.

Performance contracting focuses on the mechanism of reforming public sector through setting, measurable, accurate, time-bound, simple and realistic targets, specifying agent performance in terms of results and assigning accountability for those results, increasing the transparency of the accountability relationship in public institutions, establishing clear reporting, monitoring and evaluation mechanisms of the activities and providing a basis for assessment of performance (Selviaridis & Wynstra, 2015). Performance contracting can be traced from France in the late 1960's and other states such as Korea, India and Pakistan. It has been adopted in developing countries such as Ghana, Gambia, Nigeria and now in Kenya (Akkermans *et al.*, 2019).

Performance Contract Implementation

Githemo (2006) indicate that there are people and even management staff who support the idea of performance contract and the idea of performance measuring but of course there are some who are not for the idea. This is especially true for those employees who might feel that measuring their performance will expose them especially if their performance is poor (Cohen & Baruch, 2010). Yet another area that staff might resist is in terms of the structure of grading as there are members of staff who feel that the grading system out in place will not bring equality when small and big organizations are put together. In the public sector, the views might be similar in that public entities that are in different sectors should not be graded the same (Gatere, Keraro & Gakure, 2013). In spite of the use of composite score that grades ministries and state comparison while taking into consideration their differences, there are some public entities that still prefer the grading to be different arguing that they are unique in terms of size, mandate, turnover, employees and service delivery.

Some of the challenges that were said to be part of the project implementation included poor performance management, structure of the firms, rigid firm cultures and the management and leadership styles (Gaunya, 2014). It was noted that there was need to restructure the structure of the firms so that the process of decision making could become quicker which would lead to a quick response. Additionally, it was observed that some managers were not keen on implementing the PC and were also not quick in formulating strategies that could be solutions to existing challenges. Success of the PC would also be faced by some challenges (Mutembei, Wanjiru & Tirimba, 2014). Those who do well in implementing the PC expect a reward maybe in form of a higher pay. The first round of performance contract were given out before there was a reward system. The public did not only expect the rewarding of the high performers but also a form of punishment for those whose performance was poor. When there are no rewards or other form of punishment, the high performers are demoralized while the others begin doubting the usefulness of the process. Despite this, it is good to note that that performance contract should be regarded as wider beyond the fact it is an individual process from the regulations in human resources

but should be seen as part of the broad systems of performance management.

The main factors affecting performance contract implementation in public institutions include financial resources, corporate culture and human resources. Omboi and Kariuki (2011) conducted a study on the factors affecting implementation of performance contract initiative at Municipal Council of Maua-Kenya. The study used the cross-sectional descriptive research design whereby both quantitative and qualitative data was collected. According to the findings there was great satisfaction from many of the business owners and members of staff from the municipal council of Mauia of the services delivered after the PC was introduced. The study also found that financial resources and human resources were significantly influencing the performance contract initiatives implementation at Municipal Council of Maua-Kenya.

Gathai, Ngugi and Waithaka (2012) carried out an analysis of factors that influence implementation of performance contracts in state Corporations by focusing on Kenya Civil Aviation Authority. The study used a descriptive research design. According to the results the firm did provide the necessary resources that were needed for the successful implementation of the strategies. Additionally, it was found that the management was able to evaluate the PC results. Another finding was that the implementation of the strategy was as a result of commitment of a team that had a decision making process which was coalitional in nature or was due to the involvement of the employees in the process of implementation brought about by a strong corporate culture.

Bomett (2015) conducted a study on implementation issues and strategies in performance contract in Kenyan Public Universities. To guide the research, a case study that used the mixed method of research was used. The study found out that excellent results were not recognized, noted or rewarded and by the time the contract was coming to an end no sanctions were made. In addition, staffs that have not performed in their institutions are not warned and were not given suggestions on solutions to their weaknesses. Moreover, on the consequences of signing the performance contract it can be concluded that the institution did not agree on sacking employees who do not sign the performance contract and that occasional suspension from duty due to not meeting the targets in the performance contract should not be employed.

3. Theoretical Framework

Performance contract is a summation of various bodies of knowledge applied together with an intention of improving organization performance. The study was anchored on agency theory. Cohen and Baruch (2010) are proponents of agency theory and used the agency theory to provide the dichotomization process used by the Israeli workforce which was divided into two structures that had their own organizational cultures. One of the structures used is the private structure where at the lead was the high-tech industry; this was a model whereby the principle controls the agent activities. In addition, Pepper and Gore (2015) showed that there were challenges in the real estate sector.

According to the evidence the agents of residential real estate sold their houses at 4.5% premium price compared to the price they sold for their clients.

Agency theory is seen as if it explains the movement of agencification. This is the reason why it is one of the most used explanatory models. The theory begins where the principal gives orders and the agent follows them (Shogren et al., 2015). However, the two parties both have their own interests which are not convergent when giving or following the orders. In addition, specialization gives the agent an advantage as the agent has more experience with the process, the expected results and important rules to be followed. The challenge is that the agent since they have an advantage can use this to pursue their interests.

The agency theory is used to explain the implementation of performance contract in public institutions. Once the agency is created, it reduces the input control and implements the contract control, the assumption in this case is that if there is a problem with different objectives and goals then this method can give it a solution (Pepper & Gore, 2015). The agent is expected to fulfill the contract and follow the principles rules while doing so. The principal is also expected to give the agent freedom to execute his duties by not interfering with how the agent does it. This positively affects the agents work as he or she can choose the best inputs to use to come up with the expected outcomes (Buchanan, Chai & Deakin, 2014). Therefore, the theory points out that the agency should be independent from the government so as to give the best results but the government too should be powerful enough to ensure that the agency provided the expected outcomes.

The public sector is faced with a lot of challenges that the agency theory does not address. The firms in the public sector often are characterized by many stakeholders whose goals are also different and many. The different stakeholders may therefore offer opposing incentives with the resultant being poor service delivery that will not benefit any of the principals. The linkage of incentives to performance may lead to gaming. The information gap between the agent and the principals accords the agent an advantage over the principal (Buchanan, Chai & Deakin, 2014). To ensure maximum return for little effort the agent may use the information for their own good and detriment to the principal. This is a case of information asymmetry.

There are different aspects of performance that are hard to measure while on the other hand they have the greatest impact on the performance. Therefore, what will be included in the performance contract of the organization are only the measurable aspects. This is a challenge that the Agency theory does not address. The theory takes into account extrinsic motivation of the agent and ignores the intrinsic motivation. The match of the employees' intrinsic

motivation and the public sector organization goals will reduce the burden on the government to motivate the staff (Pepper & Gore, 2015). This is because the employees will be motivated to do what they do. This is against the theory proposition that the agent utility stems from the disutility and incentives from the effort he provides on behalf of the principal.

The lesson learnt here is that the agencies can only provide the best results to the government when they are made part of the administrative system (Shogren et al., 2015). This does not mean that there should be no autonomy but that autonomy should be in harmony with the government expected objectives. Challenges do exist when the principal/agent process is used to provide solutions to reduce the costs of agency in public organizations (Selviaridis & Norrman, 2015). For instance, there is no profit which can be used to quantify performance which means that quantifying performance can be hard and thus compensation cannot be linked to performance. In addition, most public sector activities have very complex output to outcomes relationships. Therefore, it might be hard to observe the two. Most factors that affect the results are not well comprehended by the agency or they might be out of the control of the agency. The challenges that are as a result of difficulties in the specification and measure of performance make it easier for the theory to be utilized in the public institutions. However, despite these limitations the implementation of performance contracts in Public Universities involves a principal (the government through the Vice Chancellor) and the agents (academic and non-academic staff). The performance contracts stipulate a contractual agreement between the government and the staff in Public Universities.

4. Conceptual Framework

A conceptual framework is set of concepts that are largely defined and systematically put together to provide a focus and show relationships between concepts. In this study the conceptual framework shows the relationship between the independent and the dependent variable. The independent variables include adoption of performance contract planning, adoption of performance contract implementation, adoption of dissemination of performance contract results and adoption of performance contract monitoring and evaluation. On the other hand, the dependent variable was target achievement of academic programmes in Public Universities. The moderating variable for the relationship between performance contract and target achievement of academic programmes in the University of Nairobi was change management practices.

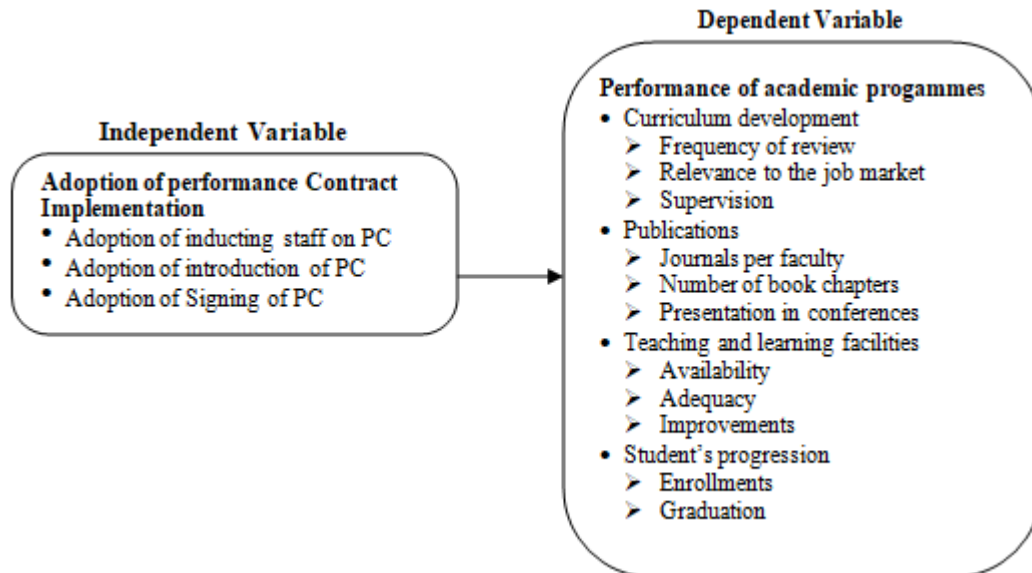


Figure 1: Conceptual Framework

A performance contract plan plays a major role in organizational performance in public institutions. The implementation of performance contracts is one of the main factors affecting the performance of public institutions. The main factors influencing the implementation of performance contracts include financial resources, human resources and organizational structures among others. In this study, performance contract implementation will be measured by use of inducting staff on PC, introducing PC and signing of PC.

5. Research Methodology

This study adopted pragmatic research paradigm. This paradigm was chosen as the study combined both qualitative and quantitative research methods. A cross sectional research design and mixed method design were used. In cross-sectional research design, the data needed for the research is collected in a given duration to shed light on the relationship between the study's variables. Cross-sectional research design integrates both qualitative and quantitative research which leads to a much wider understanding of the problem in question compared to the use of one method of research. The target population of the present study comprised of 8789 PhDs and Masters students who enrolled in 2015 and 2016, deans of schools, chairpersons of departments and principals/directors of colleges in the six colleges of the University of Nairobi. Currently, there are seven colleges in the University of Nairobi, but the latest college of Open and Distance Learning is still young to be evaluated.

The sample size of this study was determined using Slovin's Formula. However, all the deans of schools/faculties, chairpersons of departments and principals/directors of colleges were included in the study due to their small number. The Slovin's Formula was as follows;

$$n = \frac{N}{1 + NE^2}$$

whereby:

n = no. of samples

N = total population

e = error margin / margin of error (0.05)

$$n = \frac{8789}{1 + (8789 * 0.05^2)}$$

$$n = 382$$

Table 1: Sample Size

	Target Population	Sample Size
PhD	975	29
Masters	7688	227
deans of schools/faculties	42	42
chairpersons of departments	78	78
principals/directors of colleges	6	6
Total	8789	382

The study adopted a multi stage sampling method. In the first step, the study used purposive sampling to select PhD students, Masters Students, deans of schools/faculties, chairpersons of departments and principals/directors of colleges. This is because deans of schools/faculties, chairpersons of departments and principals/directors of colleges are involved directly in the implementation of performance contracting and both PhD students and Masters Students are directly affected by the implementation of performance contracts. In the second stage, the respondents were selected using simple random sampling.

Both primary and secondary data were used for the research. Secondary data was derived from published literature review including from textbooks, journal articles, published thesis, textbooks, annual universities' reports and performance contracting documents. On the other hand, primary data was obtained with the help of informant interview guides and questionnaires. Questionnaires collected quantitative data from academic staff and PhD students. Key informant interviews were used to collect qualitative data from directors of quality assurance. A pilot test was conducted to examine the validity and reliability of the research instrument. The pilot group comprised of 10% of the sample size and was conducted in Kenyatta University. To improve on the questionnaires validity, the researcher consulted with the university supervisor. Cronbach's alpha was used in measuring the reliability of the research instrument. The

results indicated that the Cronbach's alpha for all the variables was more than 0.7 and hence the instrument was reliable.

A questionnaire was used to collect qualitative and quantitative data. Analysis of the qualitative data was done using thematic analysis and the results of the analysis were presented in prose form. On the other hand, descriptive and inferential statistics were used for analysis of quantitative data with the help of Statistical Package for Social Sciences (SPSS version 22). Descriptive statistics included frequency distribution, mean, standard deviation and percentages. Inferential statistics included Pearson correlation analysis and regression analysis. Pearson correlation analysis was used to test for the strength of the relationship between the variables under investigation. Regression analysis was used to determine the relationship between independent variable (adoption of performance contracting implementation) and dependent variable (target achievement of academic programmes in public universities in Kenya). Regression model was as follows;

H₁1: There is as significant relationship between adoption of performance contracting implementation and the target achievement of academic programmes in public universities in Kenya

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Whereby;

Y = Target Achievement of Academic programmes

B₀ = Constant

β₁ =Coefficients

X₁ = Adoption of performance contracting implementation

ε = Error term

6. Research Findings and Discussions

The sample size of the study was 382 respondents that comprised of 29 PhD students, 227 Masters Students, 42 deans of schools/faculties, 78 chairpersons of departments and 6 principals/directors of colleges. Out of 256 questionnaires that were distributed, 218 responses were obtained. In addition, 12 deans of schools/faculties, 24 chairpersons of departments and 3 principals/directors of colleges were interviewed. These responses showed a 75.1% response rate. Russell (2013) argues that even though, statistically, there are no rules of acceptable response rate, a 50% is normally considerate adequate for analysis, making inferences and for reporting while a 70% is considered to be a very good response rate thus the response rate of the study was within acceptable limits for inference making.

Target Achievement of Academic Programmes in Public Universities

Target Achievement of academic programmes was the dependent variable in this study and its indicators included curriculum development, publications, teaching and learning facilities as well as student's progression. In a five point likert scale (where 1 represented strongly agree, 4 represented agree, 3 represented neutral, 2 represented disagree and 1 represented strongly disagree) the PhD and masters students were asked to indicate their extent of agreement with various statements measuring target

achievement of academic programmes in the University of Nairobi.

From the findings, the PhD and Masters Students agreed with a mean of 4.298 that their university is ranked one of the best in the country. In addition, the PhD and Masters Students agreed that students enrollments in their university and the number of students graduating every year has been increasing over the years as shown by means of 3.894 and 3.766, respectively. The PhD and Masters Students also agreed that the curriculum in the university is relevant to the job market and the university had been making improvements in the teaching and learning facilities as shown by means of 3.743 and 3.720, respectively. In addition, the PhD and Masters Students agreed that the number of publications per college has been increasing over the years and their university has frequent reviews of the curriculum as shown by means of 3.701 and 3.610, respectively. However, the PhD and Masters Students were neutral in the statement indicating that there are frequent supervisions in their university to ensure quality as shown by a mean of 3.252. They were also neutral on the statement indicating that the teaching and learning facilities in their university were available as shown by a mean of 2.844. The PhD and Masters Students disagreed with the statement that the teaching and learning facilities in their university were adequate as shown by a mean of 2.376.

Table 2: Target Achievement of academic programmes

	Mean	Std. Deviation
Our university has frequent reviews of the curriculum	3.610	1.077
The curriculum in our university is relevant to the job market	3.743	1.042
There are frequent supervisions in our university to ensure quality	3.252	.840
The number of publications per college has been increasing over the years	3.701	.939
The teaching and learning facilities in our university are adequate	2.376	1.146
The teaching and learning facilities in our university are available	2.844	1.003
The university has been making improvements in the teaching and learning facilities	3.720	.935
Students enrollments in our university have been increasing every year	3.894	.932
The number of students graduating every year has been increasing over the years	3.766	.903
Our university is ranked one of the best in the country	4.298	.973
Average	3.520	.979

The PhD and Masters Students were asked to indicate how the adoption of performance contracting influences the target achievement of academic programmes in public universities in Kenya. From the findings, they reported that adoption of performance contracting had helped the University to increase graduation rates and offer high quality services to students. This is evidenced by the fact that the University of Nairobi has been leading among public institutions in Kenya in performance contracting implementation. In addition, the deans of schools/faculties and chairpersons of departments reported that the adoption of performance contracting had led to curriculum

development through increasing frequency of review, offering courses that are relevant to the job market and through an improvement in supervision. In addition, the principals/directors of colleges indicated that as a result of performance contracting adoption, the University had managed to increase teaching and learning facilities as well as students' graduation rates.

The study found that students' enrollments in the University of Nairobi and the number of students graduating every year has been increasing over the years. In addition, the curriculum in the University of Nairobi is relevant to the job market and the university had been making improvements in the teaching and learning facilities. These findings agree with Njenga (2016) who argues that performance is in terms of student enrolment, students graduating rates and service user satisfaction. In addition, the PhD and Masters Students agreed that the number of publications per college has been increasing over the years and their university has frequent reviews of the curriculum. These findings agree with Githemo (2006) who argues that the most common measures of performance in public universities include Curriculum

development, Publications, Quality of teaching and learning facilities and students' progression. However, there are moderate supervisions in the University of Nairobi to ensure quality. In addition, the teaching and learning facilities in the university were moderately available. Further, the teaching and learning facilities in the University of Nairobi were inadequate.

Adoption of Performance contract implementation

The PhD and Masters Students were asked to indicate their extent of agreement with various statements on adoption of performance contract implementation in the University of Nairobi. According to the findings, the PhD and Masters students agreed that staff in the University had been signing performance contracts and the University had been having performance targets as shown by means of 3.619 and 3.610, respectively. However, they disagreed with the statement that the University had been holding negotiations as shown by a mean of 2.385. In addition, they disagreed with the statement that the University had been inducting staff for performance contract as shown by a mean of 2.252.

Table 3: Adoption of Performance contract implementation

	1	2	3	4	5	Mean	Std. Deviation
Our University has been inducting staff for performance contract	31.2	27.5	28.0	11.5	1.8	2.252	1.075
Our University has been having performance targets	6.0	12.8	17.9	40.8	22.5	3.610	1.143
Our University has been holding negotiations	27.5	25.2	29.4	17.0	.9	2.385	1.089
Staff in our University have been signing performance contracts	5.0	17.0	13.3	40.4	24.3	3.619	1.170
Average						2.967	1.120

The PhD and Masters Students were asked to indicate how the adoption of performance contract implementation influences the performance of Academic programmes in Public Universities in Kenya. From the findings the PhD and Masters Students indicated that performance contract implementation is the most important aspect of a performance contract as it involves the execution of the performance contract plan. The Deans of Schools/Faculties reported that induction of staff, which was missing in the University of Nairobi, was a key component in ensuring the implementation of performance contracts and in ensuring employee commitment to performance contracts. In addition, Principals/Directors of Colleges and Chairpersons of departments reported that the implementation of performance contracts was facing resistance from employees who had worked in the organization for long. Also, staffs in the University of Nairobi were signing the performance contracts before training on what it entails and its importance.

Correlation Analysis

Correlation analysis was used in the assessment of the association between adoption of performance contract implementation and target achievement of academic programmes. According to the findings, shown in Table 4, there is a positive linear association between adoption of performance contract implementation and target achievement of academic programmes in the University of Nairobi (r=0.659, p-value=0.000).

Table 4: Correlation Coefficient

		Target Achievement of academic programmes	Adoption of Performance contract implementation
Target Achievement of academic programmes	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	218	
Adoption of Performance contract implementation	Pearson Correlation	0.659**	1
	Sig. (2-tailed)	0.000	
	N	218	218

Regression Analysis

A univariate analysis was conducted to investigate the influence of adoption of performance contracts implementation on the target achievement of academic programmes in Public Universities in Kenya. The null hypothesis was;

H₀2: There is no significant relationship between adoption of performance contract implementation and the target achievement of academic programmes in Public Universities in Kenya.

As shown in Table 5, the R-squared for the relationship between adoption of performance contract implementation and the target achievement of academic programmes in Public Universities in Kenya was 0.434. This implies that adoption of performance contract implementation can explain 43.4% of the target achievement of academic programmes in Public Universities in Kenya.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.659 ^a	0.434	0.432	0.47415
a. Predictors: (Constant), Adoption of Performance contract implementation				

ANOVA for Performance contract implementation and target achievement of academic programmes is presented in Table 6. As shown in Table 6, the F-calculated (165.815) is greater than the F-critical (3.87) and the p-value (0.000) is less than the significance level (0.000), which shows that the model can be used in predicting the influence of the adoption of performance contract implementation on the target achievement of academic programmes in Public Universities in Kenya.

Table 6: ANOVA

	Sum of squares	df	Mean Square	F	Sig.
Regression	37.277	1	37.277	165.815	0.000 ^b
Residual	48.560	216	0.225		
Total	85.837	217			
a. Dependent Variable: Target Achievement of academic programmes					
b. Predictors: (Constant), Adoption of performance contract implementation					

From the results, the regression equation can be presented as;
 $Y = 2.473 + 0.348 (\text{Adoption of performance contract implementation})$

From the findings, the adoption of performance contract implementation had positive influence on target achievement of academic programmes as shown by the regression coefficient of 0.348. This implies that a unit increase in the adoption of performance contract implementation would lead to a 0.348 improvement in the target achievement of academic programmes in Public Universities. Since the p-value (0.000) is less than the significance level (0.05), the null hypothesis “There is no significant relationship between adoption of performance contract implementation and the target achievement of academic programmes in Public Universities in Kenya “ was rejected and the alternative hypothesis can be accepted and hence “there is a significant relationship between adoption of performance contract implementation and the target achievement of academic programmes in Public Universities in Kenya”.

Table 4. 1: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.473	0.087		28.290	0.000
Adoption of Performance Contract implementation	0.348	0.027	0.659	12.877	0.000
a. Dependent Variable: Target Achievement of academic programmes					

7. Discussion of the Findings

The results from correlation analysis showed that there is a positive linear association between adoption of performance

contract implementation and target achievement of academic programmes in the University of Nairobi. The results from regression analysis also showed adoption of performance contract implementation has a positive influence on the target achievement of academic programmes in Public Universities in Kenya However, the study also established that the teaching staff had not been allocated duties and responsibilities in performance contracts implementation. These findings agree with Omboi and Kariuki (2011) observation that performance contract implementation in public institutions influences service delivery.

The study found that the staff in the University had been signing performance contracts and the University had been having performance target. These findings are in line with Gathai, Ngugi and Waithaka (2012) findings that most of the public institutions in Kenya have already signed performance contracts. The study also established that the University had not been holding negotiations. These findings agree with Bomett (2015) observation that holding of negotiations is an important part in project implementation.

The study also found that induction of staff, which was missing in the University of Nairobi, was a key component in ensuring the implementation of performance contracts and in ensuring employee commitment to performance contracts. This is contrary to Gathai, Ngugi and Waithaka (2012) observation that the introduction of performance contracts necessitates the induction of staff. In addition, the study revealed that the implementation of performance contracts was facing resistance from employees who had worked in the organization for long. These findings agree with Mutembei, Wanjiru and Tirimba (2014) findings that the staff in an organization might resist the structure of grading as there are members of staff who feel that the grading system out in place will not bring equality when small and big ministries are put together. Also, staffs in the University of Nairobi were signing the performance contracts before training on what it entails and its importance. This is contrary to Mutembei, Wanjiru and Tirimba (2014) findings that training of staff in any kind of project should precede implementation.

8. Conclusions and Recommendations

The research concludes that there is a significant relationship between adoption of performance contract implementation and the target achievement of academic programmes in Public Universities in Kenya. The research found that the staff in the University had been signing performance contracts and the University had been having performance targets. In addition, the staffs in the University of Nairobi were signing the performance contracts before training on what it entails and its importance. In addition, the research revealed that the implementation of performance contracts was facing resistance from employees who had worked in the organization for long.

The research revealed that non-teaching staff had been allocated duties and responsibilities in performance contracts implementation. The research also found that the University had not been holding negotiations. Despite being a key component in ensuring the implementation of performance

contracts and in ensuring employee commitment to performance contracts, the research found that University had not been inducting staff for performance contract. Therefore the study recommends that the University of Nairobi should develop an induction program for all the staff.

The research established that the implementation of performance contracts in the University of Nairobi was facing resistance to change. This research recommends that the University of Nairobi should adopt change management practices such as involvement of all staff, effective communication and training.

9. Suggestions for Further Studies

This research studies was limited to the influence of the adoption of performance contracting implementation on target achievement of academic programmes in the University of Nairobi. The findings of these studies cannot be generalized to other public Universities in Kenya. There are 25 public universities in Kenya and hence this study suggests similar studies to cover all the other public universities in Kenya. The study also found that adoption of performance contracting implementation could only explain 43.4% of target achievement of academic programmes in the University of Nairobi. The study therefore suggests that further studies on other factors influencing target achievement of academic programmes in the University of Nairobi should be carried out.

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