

ISSN: 2320-8848 (Online)

ISSN: 2321-0362 (Print)



# *International Journal for Management Science And Technology (IJMST)*

**Volume 4; Issue 06  
Manuscript- 3**

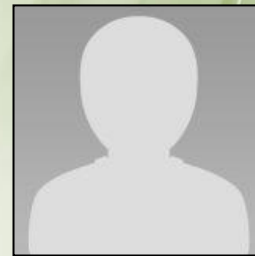
**“PERFORMANCE REPORTING AS A STRATEGY ON  
PRODUCTIVITY AMONG PUBLIC SERVANTS IN KAKAMEGA  
COUNTY”**



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## **Abstract**

The Public Service Reform Program (PSRP) is developed and the Strategy for Performance Improvement in the Public Service launched in 2001. The Government of Kenya adopted, as a policy, the application of Performance Contracts in the management of the Public Service. Having adopted Performance Management in most of the Ministries by the year 2006, research has been carried out mainly among recipients of the service to establish its effectiveness in service delivery. This research to determine the influence of reporting strategy on productivity among public servants working at Kakamega County. The target population was 112 respondents on Job group 'J' and above. Descriptive research design was used. Primary data was collected by use of structured questionnaires, with closed ended questions. Descriptive statistics was carried out. The reporting strategy was found to contribute to productivity by at least (67%) of the respondents.

## **1. Introduction**

Performance Contracts originated from the perception that the performance of the Public Sector had been consistently falling below the expectations of the public. Performance Management is part of broader Public Sector reforms aimed at improving efficiency and effectiveness in the management of Public Service. The problems that have inhibited the performance of government agencies are largely common and have been identified as excessive controls, multiplicity of principles, frequent political interference, poor management and outright mismanagement (RBM Guide, 2005).

In order to move the implementation of the Public Service Reform Program (PSRP) forward, the Government of Kenya developed and launched the Strategy for Performance Improvement in the Public Service in 2001. The Strategy sought to increase productivity and improve service delivery by entrenching long lasting and sustainable change in the way public services were offered. Underpinning this strategy was the Results Based Management (RBM) approach, which makes it necessary to adjust operations to respond to predetermined objectives, outputs and results. This called for a transformation from a passive, inward-looking bureaucracy to one which is pro-active, outward looking and results oriented; one that seeks 'customer satisfaction' and 'value for money'.

The Government of Kenya adopted as a policy, the application of Performance Contracts in the management of the Public Service. The policy pronouncement in this regard is contained in the Economic Recovery Strategy for Wealth and Employment Creation (2003 - 2007).

The process of performance management commenced with the establishment of a Performance Contracts Steering Committee in August 2003 and the issue of Legal Notice No. 93, The State Corporations (Performance Management) Regulations, 2004 in August 2004. Under this framework, the initial performance contracts were introduced in 16 pilot state corporations, which signed contracts on 1st October 2004 and 16th December 2004 respectively. The Public Service and all the state corporations were scheduled to sign performance contracts by 30th June 2005.

The objectives of introducing performance contracts in Kenya include improvement of productivity to the public by ensuring that top-level managers are accountable for results; reversing the decline in efficiency and ensuring transparency in use of resources that must be focused on attainment of key national policy priorities of the government; institutionalizing performance oriented culture in the public Service through introduction of an objective performance appraisal system, measuring and evaluating performance.

The concept of performance management in Kenya was first introduced in the management of state corporations in 1989. A Parastatal Reform Strategy Paper, which was approved by cabinet in 1991, was the first official recognition of the concept of Performance Management. The first two parastatals to be on Performance Management were Kenya Railways Corporation and the National Cereals and Produce Board (NCPB). Kenya Railways signed performance contracts in April 1989 and NCPB signed in November 1990 (Kobia & Mohammed, 2006). Performance contracts eventually failed due to lack of political goodwill to drive this process; it was perceived as donor-driven. There was no performance incentive system and no provision for the impact of external factors such as changes in government policy, inflation, exchange rate fluctuations that would have made evaluation fair.

Kenya decided to re-introduce performance management in 2003. The initiative came from H.E. the President and was clearly spelt out in the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC). In August 2003, the government appointed a committee to spearhead the introduction and implementation of Performance Contracts

namely the Performance Contracts Steering Committee. The government made a decision to introduce Performance Management in state corporations on a pilot basis in 2004. Sixteen State Corporations signed the PC's by December 2004.

Following the success in implementing performance contracts in state corporations, the government extended the process to Public Service beginning with Permanent Secretaries and Accounting Officers. Further, in April 2005, the Government decided to place the management of 175 Local Authorities on Performance Contracts. Accordingly, five major municipalities completed Performance Contracts on 30th September 2005 on pilot basis. The remainder signed Performance Contracts on 30th June 2006.

Many of the research and theory building is focusing on how to narrow the gap between government and the citizen. Citizen participation, increasing transparency and productivity improvement seem to be the key issues to deal with in order to improve the legitimacy of public administration and regain the trust that citizens lost in their governments (Hoogwout, 2005).

Productivity is the provision of goods and services to clients. In order for it to be deemed to be effective and efficient, the same should be offered at the right time and place and in the right quantities and expected quality at minimal cost. The service providers are expected to be accountable, transparent, and efficient as they offer the services.

Accountability refers to being answerable for results in one's area of responsibility. For one to be thus answerable, it involves setting of goals, clarifying expectations, defining roles and responsibilities, monitoring progress and measuring results, and gathering feedback. Performance management in the public service involves annual work planning and setting of performance targets that are in line with the organization's (ministry's) mandate, thus each worker has to be accountable for what has been or has not been achieved in relation to his/her duties and responsibilities.

Efficiency is the ability to achieve certain (expected) results using minimal time and incurring the least cost. Performance management is growth oriented and seeks to keep on improving on processes even as one focuses on results. Due to this notion of continuous

improvement, performance management seeks to increase efficiency among individual workers and the organization as a whole.

Roles and responsibilities exercised out of a sense of ownership inspire commitment. Defining roles and responsibilities identifies specific benchmarks for performance and creates boundaries around the work to be done, both of which foster self-accountability. One does not feel pushed to achieve and does not therefore shy away from inefficiencies or even failures. Workers tend to become more transparent in their dealings with clients.

In performance management in the public service, there is the declaration of Service Charters that are put in writing and placed conspicuously in areas where clients can access and therefore be aware of what is expected of them and what in turn they expect from the service provider. In this way it is expected that performance management should increase levels of transparency among its implementers.

### **1.1 Statement of the Problem**

Performance contracting was introduced in order to improve the way services are delivered to the public to make sure that the stakeholders gain, to put the employee to be open, to give an account and to make good use of the resources (Kobia & Mohammed 2006). The environment in which the reforms were being made was changing very fast (Abong'o 2009). It therefore means that there is need to continue making adjustment and reviews if productivity is to be improved.

A review that was made by some selected Panel of Professionals (2010) indicated that the Ministries, Departments and Agencies were not delivering the required services much as the evaluation showed that they were performing very well. The study at hand was to find first hand information from the employees on their opinion its impact on service delivery.

### **1.2 Objectives**

The study was to determine the extent to which performance reporting had influenced performance.

## **2. Literature Review**

### **2.1 Performance Management**

According to Wangao (2010) performance management is a system used by Public Sector Reforms to improve performance of the Public Sector by way of coming up with clear objectives; setting SMART targets; specifying agent performance in terms of results (outputs) and assigning accountability for those results; increasing the public scrutiny in relationship with public institutions; establishing clear reporting, monitoring and evaluation mechanisms of the projects and providing a basis for assessment of performance.

Performance management was introduced in various countries in the world as early as 1960s, including countries like France, India, Pakistan, Korea and various other African countries. The concept of performance management in Kenya was first introduced in the management of state corporations in 1989. The first two parastatals to be on Performance Management were Kenya Railways Corporation and the National Cereals and Produce Board (NCPB). Kenya Railways signed performance contracts in April 1989 and NCPB signed in November 1990 (Kobia & Mohammed, 2006). According to them, performance contracts eventually failed due to lack of political goodwill to drive this process; it was perceived as donor-driven. Kenya decided to re-introduce performance management in 2003 as an initiative from the President of the republic. In August 2003, the government appointed Performance Contracts Steering Committee (PCSC) to spearhead the introduction and implementation of Performance Contracts. Performance Management was introduced in state corporations on a pilot basis whereby sixteen State Corporations signed the PC's by December 2004.

## **2.2 Reporting**

In the Kenya government set up, one of the tasks in a performance contract is to report on agency performance with reference to the set targets, so that an analysis of the extent of achievement of the same is carried out. The reporting is cascaded down to individual level performance, whereby a written report in a predetermined format is handed in to the supervisor on a quarterly basis. The supervisor and the appraisees meet at mid-year to review the extent of achievement of the targets. They meet again at the end of the year for a full review of the whole year's performance.

According to Transparency International, (2011), the TISDA team provided a platform for a multi-stakeholder discussion on the problems affecting the water sector and solutions to these. Local and international experts involved in the TISDA project trained the stakeholders

on how anti-corruption initiatives in the water sector can be utilized to improve performance and productivity through greater transparency, more diligent disclosure of information and direct accountability mechanisms that enable users to raise their concerns and demand for better services. Their emphasis is on increased transparency and disclosure of information, among other initiatives, which tallies with this research study variable of performance reporting and also performance appraisal.

### 2.3 Productivity

According to Njogu (2010), a modern public service culture requires values of fair play, efficiency and accountability, and without this mindset the commitment to professional standards and resource management, social interventions, reforms and development cannot be effectively executed for efficient productivity.

Murray, (2002) highlights the following as limitations of using performance management as a tool for measuring performance or as a means of tying compensation to performance in the public sector: The absence of profit as a measure of performance can mean that measuring performance is difficult and it is quite difficult to tie compensation closely to performance; secondly, for many public sector activities there is a complex relationship between outputs and outcomes (and probably impact). Neither the outputs nor the outcomes may be readily observable. Many of the factors influencing outcomes are beyond an agency's control and/or are not well understood by both the implementers and their supervisors. The difficulties in specifying and measuring performance are precisely why many of these activities are conducted in the public sector.

### 2.4 Conceptual Framework

The purpose of this research is to find out the extent to which reporting had influenced on the quality of productivity by public servants in Kakamega County Government.

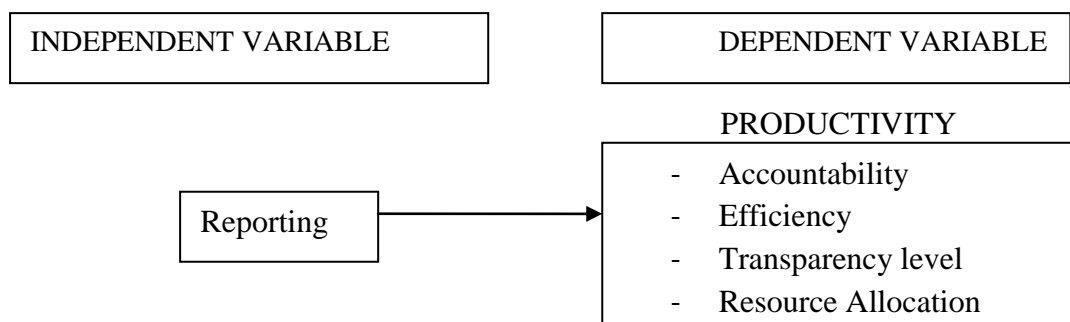


Figure 2.1 The Conceptual Model

From the model, the independent is reporting is capable of influencing productivity whose indicators are accountability for results, efficiency in productivity in terms of quality and timing, levels of transparency and proper allocation of resources in the public service. The influence may be positive or negative or none at all.

#### **2.4.1 Performance Reporting**

A worker is expected to hand in a quarterly report giving the extent of attainment of set targets within three days of the start of the fourth month. If there are variances in performance, he should explain the reasons. The researcher wishes to find out the extent to which an employee perceives himself as improving productivity through performance reporting.

#### **2.4.2 Performance Appraisal**

A public servant is appraised to ascertain the level of attainment of set targets at the middle of the government's financial year (January) and at the end of the year (June). During appraisal, the appraisee meets with the supervisor to analyze what targets have or have not been achieved, giving reasons for the same. The researcher through this study intends to investigate whether by appraising employees, they consider themselves able to improve services rendered to the public.

#### **2.4.3 Productivity**

Productivity refers to the provision of goods and services to clients. Indicators of productivity are accountability for results, efficiency and transparency.

On accountability for results, the researcher intends to find out whether through performance management process, an employee is better able to account for his actions (or for his failure to act) in relation to set targets and resources provided. In order for it to be deemed to be effective and efficient, the same should be offered at the right time and place and in the right quantities and expected quality at minimal cost. The service providers are expected to be accountable, transparent, and efficient as they offer the services.

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### **3. Methodology**

Descriptive research design was used as it determines and reports the way things are. It targeted public servants in various government ministries, represented as County departments, who are on job groups 'J' and above in Kakamega County. It used 112 public servants. It applied a census; questionnaires, closed-ended and few open-ended questions were used to collect data. Data analysis was in form of frequencies, mean, median and mode.

### **4. Findings**

#### **4.1 Influence of reporting on service delivery**

##### **4.1.1 Use of time in performance reporting**

This indicator used was in regard to the amount of time spent on preparing performance reports.

Table 4.1 County Commissioner And Use Of Time

Extent of Agreement	Frequency	Percent
Agree	21	23.1
Don't know	3	3.3
Disagree	42	46.2
Strongly disagree	18	19.8
<b>Total</b>	<b>91</b>	<b>100.0</b>

A total of 60 respondents which represents 66% (19.8+46.2%) did not consider performance reporting as a waste of time that could be used for service delivery. Instead they considered it as a necessary step in the performance contracting process in an endeavour to improve service delivery. 30.8% considered it a waste of time while 3 respondents did not know whether it a waste of time or not.

In the literature earlier reviewed, similar sentiments were expressed by Chapman (1995) who said that managers and appraises commonly disliked appraisals and tried to avoid them since they were daunting and time-consuming. 30.8% is a significant proportion to warrant attention to device different ways of reporting performance so that too much time is not spent unnecessarily on the exercise

#### 4.1.2 Civil Servants' Perception Of Quality Of Service Delivery To Clients

To find out how civil servants perceived the quality of service delivered to clients, three indicators were used.

#### 4.1.3 Performance Contracting And Efficiency In Service Delivery

This indicator was used to test the quality of service delivery in comparison with the period before performance contracting.

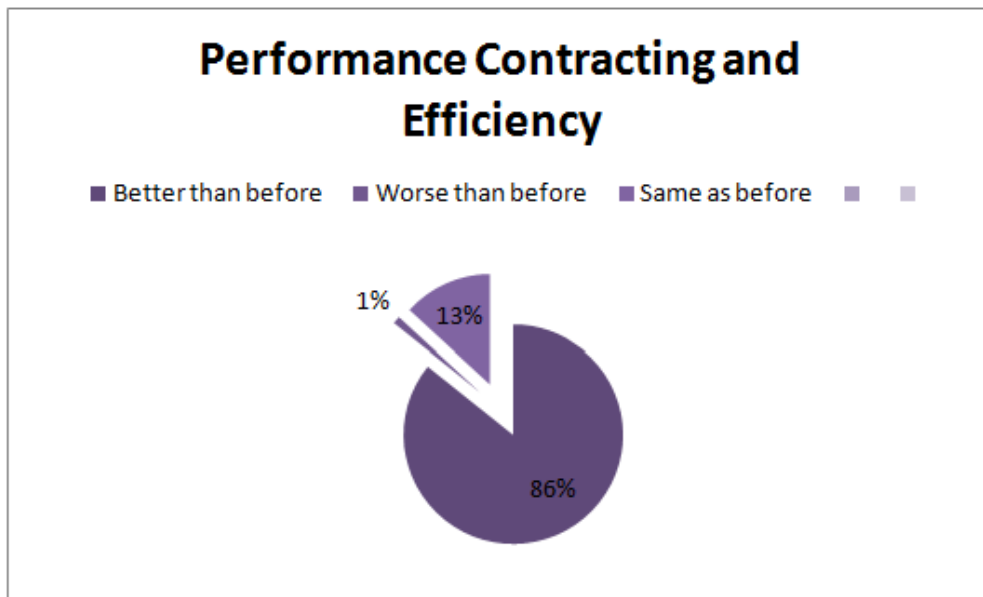


Figure 4.1 Performance Contracting And Efficiency

Source: (Survey Data, 2015)

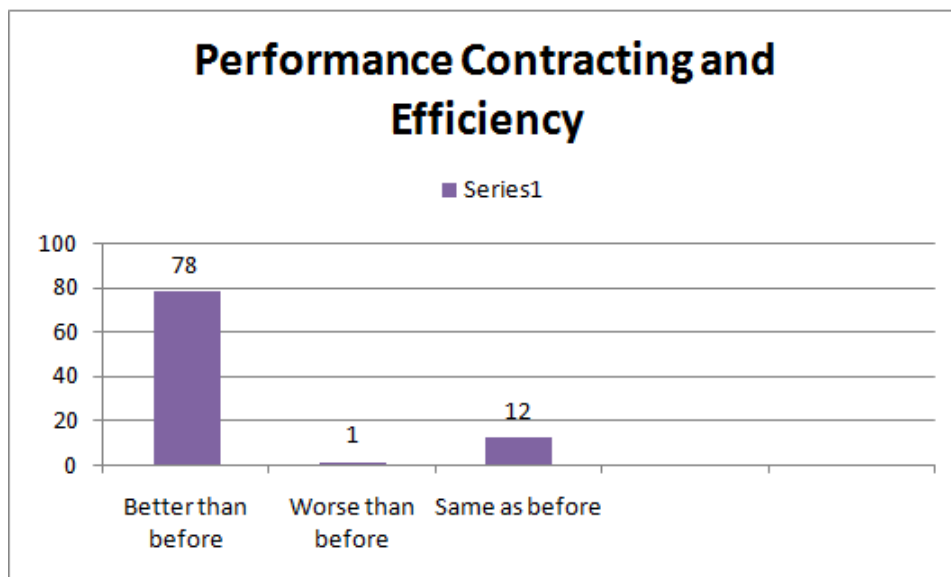


Figure 4.2 Performance Contracting And Efficiency

Source: (Survey Data, 2015)

78 out of 91 respondents representing 86 % (Figures 4.5 and 4. ) expressed that service delivery to the citizen is better with performance contracting than before. Only one person felt that it was worse. According to the literature earlier reviewed, in Swaziland, the performance agreement of the early 1990's failed to improve the performance of the public enterprises because of widespread use of consultants in the formulation of contract plans,

including the determination mechanisms for their monitoring and evaluation; public enterprise management did not develop the necessary sense of ownership and commitment to the success of the enterprise contracts.

From the research findings by Kobia and Mohammed (2006), it was clear that performance contracting had not taken root by the time of the study as only 25 out of the 280 participants had signed performance contracts. In the current study, performance contracting had been implemented several times (since 2006) in most of the ministries thus respondents had a clear understanding of the process, and its perceived impact was quite visible as reflected on the 85.7% response that service delivery to the citizen was better with performance contracting than before.

It is also noted in this study that improvements in service delivery were noted in almost all ministries unlike those of the study by Kobia et al which were notable in only two state corporations and statutory boards but not in ministries.

#### 4.1.4 Accountability For Resources And Service To Clients

With this indicator, the researcher sought to know whether respondents gave better services to clients once they were required to account for resources.

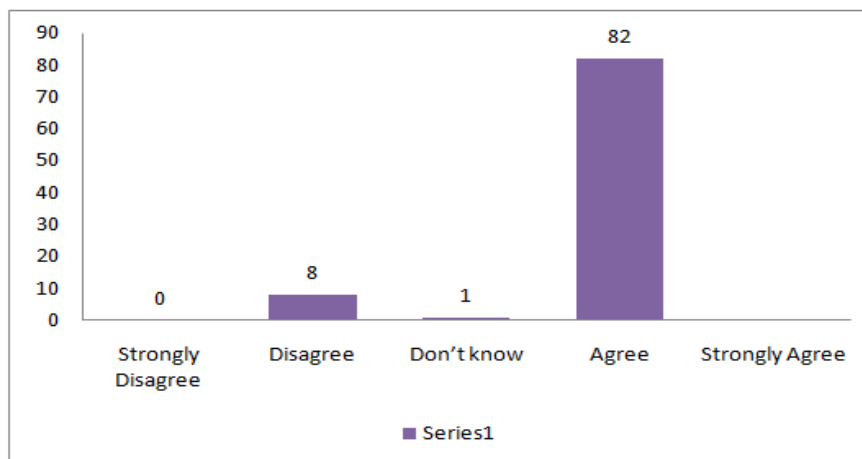


Figure 4.3 Accountability For Resources

Source: (Survey data, 2015)

90% (82/91) agreed that when one is required to account for resources they are able to give better services to clients (Figure 4.7)~ 9% disagreed while one person (1%) was not sure

whether it did help or not. When one is made accountable for resources then they put them into appropriate use as per budget allocation hence according better services to clients.

As per the literature earlier reviewed, in the Belgium case, the main objective appeared to be a financial one, the need to save taxpayers' money. Internal management improvements were limited by strict financial constraints. The objective of a better accountability seemed to be of minor importance, which contrasts with this study in that priority is on accountability for resources which increases the employees' autonomy to spend as long as the resources are available and are well accounted.

According to Muthaura, (2008), PC commits public officials to performing to or beyond specified levels which holds them accountable for results and creates levels of transparency in management of public resources.

#### 4.1.5 Annual Work Planning And Quality Of Service

This indicator was used in testing whether civil servants considered annual work planning as crucial in determining quality of service rendered.

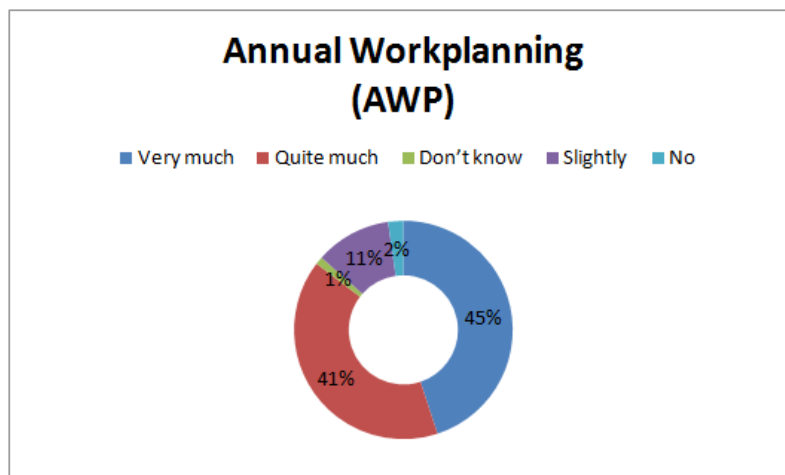


Figure 4.4 AWP and quality of service

Source: (Survey Data, 2015)

A total of 76 respondents (very much & quite much) which is 84 % considered annual work planning as very important in determining quality of service to clients. According to literature earlier reviewed, in the work plan, the individual states his objectives for the year, the tasks he intends to carry out in order to meet the objectives, required resources, the time span within which to achieve the objectives, and the indicators of performance. Once they draw

their annual work plans they are able to focus better on the services to give to citizens so that they become more efficient in terms of resources and time utilization. Not only did annual work planning improve work distribution and work load determination, it also had a positive effect on the perceived quality of service rendered to clients.

## **5. Conclusion And Recommendations**

### **5.1 Conclusions**

The majority of respondents forming about two third felt that reporting strategy was very important to productivity. Only a third thought that it was a waste of time. It had a positive influence in making respondents more transparent to their clients.

### **5.2 Recommendations**

The following are recommendations for practice and for further research

#### **5.2.1 Recommendations for practice**

The researcher makes the following recommendations in relation to the research findings: the County Service Board should schedule regular training rotating around all ministries and all cadres of staff in order to ensure thorough understanding of PAS and also keep the staff updated on the processes that keep being revised. The researcher also recommends specific training for Office of the Governor as all respondents from this ministry were found much wanting in terms of PAS training; they all indicated that the training received was either insufficient or none at all. It is noted that implementation of all the variables of this study is very much dependent on PAS training.

The performance reporting format should be customized for different cadres and not applied uniformly. The drivers and the secretarial cadre are specifically pinpointed for this in the findings.

#### **5.2.2 Recommendations for further research**

Civil servants on job group H and below signed their first performance contracts. There is need to carry out research focusing on this group in order to get their perception on its effect on service delivery and any challenges that they could be facing. It would also be necessary to carry out research on other factors other than performance reporting that could help improve performance in the civil service

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