# THE EFFECT OF PERFORMANCE CONTRACT ON SERVICE DELIVERY IN THE MINISTRY OF LANDS

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT) -KENYATTA UNIVERSITY

JUNE,2008

# **DECLARATION**

This research project is my original work and has not been presented for a degree in any
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#### ACKNOWLEDGEMENT

First and foremost, I thank the almighty God for giving me the opportunity and making me accomplish the course. My sincere appreciation goes to my supervisor Dr. Ombuki, C. Of the School of Business (Kenyatta University). His professional guidance and tolerance enabled me to complete this Research work successfully.

May I also acknowledge the contribution made by all the Graduate Lecturers in the School of Business who taught me and sharpened my skills on the Business Discipline.

I also thank my fellow classmates (MBA 2005/2007) group whose interruction and discussions made my course work and report writting an exciting experience.

Last but not the least, I extend my sincere appeciation to my employer – HRM Department in the Ministry of lands and the DPM for providing me with the study leave.

May God bless you all who have been mentioned and also those not mentioned who made me able to complete my course successfully.

# DEDICATION

Dedication goes to my beloved late Dad – Gitari and Mum Susan who worked tirelessly to make sure that I achieved the best Education Background. To my wife Ann Njeri and children Marvis Wanja and Lynne Waithera for their inspiration, moral support and enduring my absence when I was struggling to get through the Course.

#### ABSTRACT

The study assessed the effect of performance contract on service delivery at the Ministry of Lands. The study was chosen because of the urge to establish why after the introduction and implementation of performance contract in the Civil Service, some problems associated with service delivery are still prevalent in the Ministry of Lands.

For Example after signing the performance contract, the set target to recover the settlement fund trustees by the Ministry in the year 2005 was Ksh 95 Million. From the set target, only 80 Million was recovered (MOL evaluation report; 2005).

The above example shows the Ministry didn't achieve it's objectives as per the set targets in the performance contract.

The researcher used descriptive research design to undertake the research because the intention of the study was to report objectively the effect of performance contract on service delivery in the Ministry of Lands.

The target population was 601 but the study covered a sample size of 60 respondents constituting 10% of the total population. The study used both primary and secondary data. The questionnaires were used to collect data on salary, training and decision making process. These variables were measured by using Likert scale.

Data on the impact of performance contract on service delivery in the Ministry of Lands was collected from departmental performance returns and the departmental performance appraisal reports.

Data analysis was done using descriptive statistical analysis. A statistical package for social science (SPSS) was used in assisting to analyze the responses gathered from respondents using measures of central tendency, measures of variability, frequency distributions and percentages.

The findings of the study were that after the introduction and implementation of the performance contract in the Ministry of Lands, the service delivery of the employees has increased. For example in the year 2005 after the introduction of the performance contract, the collection of the revenue and Appropriation in Aid (AID) increased to Ksh 953,890,192 from Ksh 860,720,078 in the year 2004. This was an increase of 9.8%. In the year 2006, collection of revenue increased by 2.7%.

On salary, 75% of the respondents reported that the salary offered to them by the Government affects there services to the customers and only 25% who said their service delivery is not affected.

On training, 61.7% reported that their service delivery is affected by the Ministry's training policy and only 38.3% who said that their services are not affected.

80% of the respondents indicated that the decision making process should be faster and only 20% who said they are comfortable with the decision making process within the Ministry.

A record majority of 100% reported that in order to improve service delivery, performance contract should be combined with good salary, training and faster decision making process.

In order for the Ministry of Lands to improve service delivery to their clients, on top of the performance contract, the following measures have to be put into consideration:

- The employees should be paid better salaries like the ones paid to the employees of the private sector.
- 2) The Ministry should have a clear and transparent training policy. This will make everybody within the Ministry to benefit from the training. The Ministry should also allocate more funds for training
- 3) The Ministry should do away with so many bureaucratic layers when discharging services to the members of the public. This will make services offered to be faster and efficient.

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# **DEFINATION OF OPERATIONAL TERMS**

Performance contract	-	An agreement between two parties that clearly specifies their mutual performance obligations, intentions and responsibilities.
Appraisal	•	A statement or opinion judging the worth, value, or Condition of something
Appraise		To officially judge how successful, effective, or value Someone or something is.
Service delivery		To provide people with something they need or want
Performance	<b>(=</b> )	The act or manner of carrying out an activity, piece of work, etc.
Organization	-	A group of people with a special purpose such as a club or business.
Training	-	To give or be given a course of instruction or practice.
Salary	-	Money that you receive as payment from the organization you work for, usually paid in every month.
Decision making	-	The process of thinking about a problem, idea, etc. and then making a choice or judgment.

# ABBREVIATIONS AND ACRONYMS

MOL Ministry of Lands

SFT: Settlement Fund Trustees

AIA: Appropriation in Aid

Cap.: Chapter

#### CHAPTER ONE

# 1.0 INTRODUCTION

#### 1.1 BACKGROUND OF THE STUDY

It is important to note that formal appraisal of employees has existed for centuries. As early as the third century AD, emperors of Wei dynasty in China employed an "imperial rater" to rate the performance of the official family members (French; 1987).

Owuor (2005) observed that, Robert Owen in the early 1800, in his Cotton Mill in New Lanark; in Scotland hang different colors of wood, denoting different grades of behavior – white for excellence, yellow for good, blue for indifferent and black for bad. Owen was impressed by the way black improved worker behavior. Owuor continues to argue that, this practice is considered to be among the first records of the implementation of performance appraisal in industry.

Appraisal of industry employees became popular only after the First World War, and appraisal of managers was not widely practiced until the Second World War. This was the time when industries started to increase hence leading to competition between them. This forced industries to appraise employees in order to be able to compete (Owuor; 2005). Performance management can be defined as a strategic and integrated approach to delivering sustained success to organization by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributions (Armstrong; 2001).

In Kenya, before the introduction of performance contract in the year 2003, the government Ministries had what was referred to as annual appraisals (Ministry of Lands; 2002).

The appraisal forms were supposed to be filled by the employee and the immediate supervisor was the one who was supposed to evaluate the employee. There were no set targets which the employee could have measured himself or herself with, no strategic objectives to be achieved and no service charter (Ministry of Lands strategic plan; 2003/4). Due to lack of proper follow up guidelines and clarity of that annual appraisal system, the

Ministry of Lands in particular experienced problems like; under collection of revenue and

Appropriation in Aid (AIA), large number of poor landless Kenyans and multiple registration of titles (Ministry of Lands Strategic plan: 2003/4).

In the year 2000, the annual appraisal forms were changed by the government to include part of self-assessment by the employees (MOL annual appraisal form; 2000). This did not improve the service delivery either because before and after the changes of the annual appraisal forms, problem of under collection of revenue and appropriation in aid, large number of poor landless Kenyans and low repayment rate of Settlement Fund Trustees (SFT) among others continued to prevail in the Ministry of lands. The accumulated uncollected revenue before and after the changes of the annual appraisal system in the year end 2000 for example was Ksh 274 million (MOL strategic plan: 2003/4).

The overall objective of introducing the performance contract in the civil service was to improve the service delivery by making each and every employee accountable for his or her unsatisfactory work. This according to the implementers was to be possible through constant evaluation and monitoring of employees by their supervisors. All these attributes were to be measured by evaluation and ranking of the Ministries by Public Service Reform and Development Secretariat-Cabinet Office (Ministry of State for Public Service; 2003).

After signing performance contract of the year 2005and 2006, cases of large number of poor landless Kenyans and low recovery of settlement fund trustees among others still prevalent in the Ministry of lands (MOL; 2005). For example, before the performance contract in the year 2003, there was low repayment rate of Settlement Fund Trustees (SFT) land and development loans, which was approximated to be Kshs.570 million (MOL strategic plan: 2003/4). After the performance contract, recovery of Settlement Fund Trustees (SFT) target was Kshs.95 million for the year 2005/6. The evaluation report as from 2005 to 2006 showed that only Kshs.80 million had been recovered (MOL evaluation report; 2005). The study therefore, seeks to investigate the reasons why the services offered by the Ministry of Lands does not meet the set objectives as per the performance contract signed between the

Government (Represented by the Permanent Secretary / Secretary to the Cabinet and Head of the Public Service and Permanent Secretary/ Ministry of Lands).

#### 1.2 STATEMENT OF THE PROBLEM

As can be seen evidently from the background of the study, before the Performance Contract was introduced in the Ministry of Lands, there were problems associated with the service delivery and some of them were; under collection of revenue and Appropriation In Aid (AID), low recovery of Settlement Fund Trustees (SFT), slow finalization of adjudication sections, few disposal of boundary disputes, low number of determined land disputes, slow pace of registration and issue of titles and few number of repossessed illegally and irregularly acquired plots among others (Ministry of Lands strategic plan of 2003/4).

Despite of the effort made by the government to improve service delivery through the introduction and implementation of performance contract in the Civil Service, some problems associated with service delivery are still prevalent in the Ministry of Lands as can also be seen from the background of the problem and a good example is the determination of land disputes. Before performance contract in the year 2000 to 2002, there were a lot of land disputes that awaited finalization (Ministry of Lands strategic plan; 2003/4). After the performance contract, the set target was to solve at least 50% of the reported land disputes in the period 2005/6. However, only 25% cases were finalized (Ministry of Lands evaluation report; 2005/6). This implies that cases delayed were justice denied which in essence explained lack of commitment in the side of the Ministry to achieve its objectives. The study analyzed the effect of performance contract on service delivery in the Ministry of Lands, and other intervening variables that may affect the improvement of service delivery

# 1.3 OBJECTIVES OF THE STUDY

# (a) Broad objective

The overall objective of the study was to analyze the effect of performance contract on service delivery in the Ministry of Lands.

# (b) Specific objectives

The study sought;

- To asses the impacts of performance contract on service delivery in the Ministry of Lands.
- . To establish if service delivery is affected by the salary offered to the employees.
- To establish if service delivery is affected by the Ministry's training policy.
- To establish if service delivery is affected by the Ministry's decision making process.

#### 1.4 RESEARCH QUESTIONS

- What is the impact of performance contract on service delivery in the Ministry of Lands?
- Is service delivery affected by the salary offered to the employees?
- ❖ Is service delivery affected by the Ministry's training policy?
- Is service delivery affected by the Ministry's decision making process?

#### 1.5.0 SIGNIFICANCE OF THE STUDY

#### 1.5.1 Academic justification

The study is important to the field of academic because it will add more information concerning the effect of performance contract on service delivery to the already existing stock of knowledge.

The study is also important to other researchers because they will use it for their future reference.

#### 1.5.2 Policy makers

This research is of vital importance to the policy makers because it will guide them on areas that can be looked at, that can affect service delivery in the Ministry of Lands. The study also guides the policy makers to know if after the introduction of performance contract in the civil service, its services have improved or not.

# 1.5.3 Society

As a result of this study, the recommendations offered to the Ministry of Lands will enable it to improve its services hence resulting to delightedness of the customers who are in this case, are the members of the society. The society will prosper economically as a result of efficient and transparent services.

#### 1.6 THE SCOPE OF THE STUDY

The study was based at the headquarters of the Ministry of Lands in Nairobi.

This Ministry was selected because the researcher was in a position to collect the information with ease and this made the findings of the report to be more accurate. The study covered the years between 2000 and 2006. The year 2003 was not included in the study, because that is the time when the infrastructure for performance contract was being put in place. This involved sensitizing employees on the requirements of the performance contract and how it will be implemented.

The reasons for basing the research in this period was that, the study compared the years when the performance contract was not in place with the years that it was introduced in the year 2003.

#### 1.7 LIMITATIONS

The limitation encountered during the study was fear of the respondents to give information which regarded as the government secrets. The study overcame this by framing the questions in such away that the respondents gave information without noticing if they have given vital information.

There was limitation of funds since for a comprehensive research to be realized, a lot of money was required. The researcher overcame this by using the simplest and economical method of collecting data. This was done by using the questionnaires to collect data and using the already available materials that had been written by various authors.

Another limitation was some respondents giving information that was not accurate. The study overcame this by editing and comparing various information given in order to come up with up to date and accurate information.

#### CHAPTER TWO

#### LITERATURE REVIEW

#### 2.0 Introduction

This chapter covers theoretical framework, conceptual framework and critical review of the issue. Though most of the theoretical framework does not explain explicitly the effect of performance contract on service delivery, it gives an insight of other factors that may affect the service delivery. This is important to the objective of the study because improvement of the performance is interplay of so many variables like good salary, good conditions of work among others (Cole; 1997).

#### 2.1 THEORETICAL FRAMEWORK

# 2.1.1 Hertzberg's motivational - Hygiene Theory

Hertzberg's (1966) took the view that man lives at two levels, the physical level and psychological level. Hertzberg's original study into the good and bad experiences at work of two hundred engineers and accountants was designed "to test the concept that man has two sets of needs; his need as an animal to avoid pain and his need as a human to grow psychologically. The respondents in the study were asked to recall times when they had felt exceptionally good about their jobs, and then to recall negative feelings they had experienced. Hertzberg's interpretation of the results led him to state the two factors theory or motivation - hygiene theory of motivation. The satisfiers according to Hertzberg's were called "motivators" and the dissatisfies "hygiene factors". Motivators appeared to be closely connected to the job, whilst hygiene factors were connected with the environment. Motivators appeared to produce motivated behavior. However, hygiene factors produced either dissatisfaction or a nil response. According to Hertzberg, motivators include; achievement, recognition, works itself, responsibility, advancement and growth. These factors that lead to extreme satisfaction of the employees, may seriously affect the service delivery if the organization does not have a clear policy of how to implement them. Hygiene factors according to Hertzberg that can seriously affect the performance of the employees are company policy and administration, supervision, relationship with supervisor, work conditions and salary.

Taking the views of the Hertzberg theory, performance contract alone cannot motivate the employees to improve service delivery without taking into account other factors that may motivate them as the theory advocates.

# 2.1.2 V.H. Vroom and Expectancy Theories

Vroom (1964) focused the attention on individual behavior in the work place. Vroom assumed that much of the observed behavior would be motivated i.e. that it was the result of preferences among possible outcomes and expectations concerning the consequences of actions. The essential elements of Vroom's ideas have come to be called "expectancy theory". The crux of their theory is that motivated behavior is a product of two key variables: -

- The valence of an outcome for the individual and
- The expectancy that a particular act will be followed by a predictable outcome.

Vroom's theory is important to the objective of this study because service delivery can be affected by the behavior of the employees as the theory advocates. Employees can perform better when they can predict their outcome because this will motivate them to work harder in order to achieve the anticipated goals.

#### 2.1.3 Achievement Motivation Theory

This theory is associated with McClelland (1961) and it is important to the objective of the study because the theory observed that individuals with a high need for achievement tended to sought task which provided a challenge without being too difficult and which they felt they could master (i.e. they did not set themselves impossible goals), they actively sought feedback on their result and they are less concerned about affiliation or social needs.

If employees are motivated to improve service delivery through performance contract, this alone cannot effectively achieve the objectives because as McClelland observed in

The theory of achievement, there are other factors that can interfere with the performance of the employees.

#### 2.1.4 Principal – Agent Theory

Improvement of the service delivery can be affected by the control relationship between a principal (government) and its agencies, because "where one actor has the power to pursue and can formulate goals for another actor, who receives the money and is better situated (e.g. by virtue of having more knowledge or time" (Vehoest; 2005). Agents in this theory are perceived as maximizing their own interest at the detriment of the interest of the principal (government). Central in principal – agent theory is the relationship between, on the one hand, the principal, and on the other hand, the agent is supposed to execute some tasks on behalf of the principal. Because of specialization the agent has some discretion in executing these tasks.

Moreover, there is *exante* and *expost* information asymmetry between the principal and the agent concerning the production process, as the agent knows more about the used processes, the achieved results, and important circumstances. The interest of the agent does not necessarily coincide with those of the principal (i.e. goal conflict). This goal conflict between the principal and the agent can seriously affect the service delivery.

In order to avoid this conflict and improve service delivery, the theory advocates that there should be monitoring systems to measure and evaluate the performance of the agent, skills of the agent, and interfering environmental conditions; bonding arrangements by which the agent can provide guarantees that he will act in accordance with the principals interests or by which "contractual limitations on the managers decision making power" are set; and systems of financial incentives that link reward to the performance of the agent, resulting in risk-turn-over from the principal to the agent (Verhoest; 2005). If all these factors that are advocated by this theory are put into consideration by the organizations, service delivery can improve.

#### 2.2 CONCEPTUAL FRAMEWORK

This part covers some of the factors that can affect service delivery and they are interlia; performance contract, salary offered to the employees, training, and decision making process.

#### 2.2.1 Performance contract

The performance contract was entered into between the Government of the republic of Kenya and the Permanent Secretary Ministry of Lands.

When signing the performance contract, the Government agrees that, it is it's obligation to ensuring that public offices are well managed and cost less in delivering efficient and quality of service to the public.

The purpose of the performance contract was to establish clarity and consensus about priorities for the Ministry of Lands.

The contract represents a basis for continuous improvement as Government is reinvented to meet the needs and expectations of its people.

From the signed contract, it was understood by the Ministry that its programs would flow and to meet its management priorities.

### 2.2.2 Salary

The single most important obligation owed by an employer to an employee is to pay him or her wages.

The principal purposes of a payments policy in any organization are to attract sufficient and suitable employees, to retain employees who are satisfactory and to reward employees for effort, loyalty, experience and achievement.

In order for the organizations to get adequate return from the employees, they should pay them salaries that are competitive. By doing this, the organizations will improve their services and they will have a competitive edge over the others that are not taking care of their employees.

#### 2.2.3 Training

Training is the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience (Armstrong: 2001). The fundamental aim of training is to help any organization achieve its purpose by adding value to the people it employs. Training to any organization means investing in people to enable them to perform better and to empower them to make the best use of their natural abilities.

The objectives of any organization to train are to develop skills and competencies of employees and improve their performance, improve high quality employees by offering them learning and development opportunities, and to provide higher levels of service to customers among others.

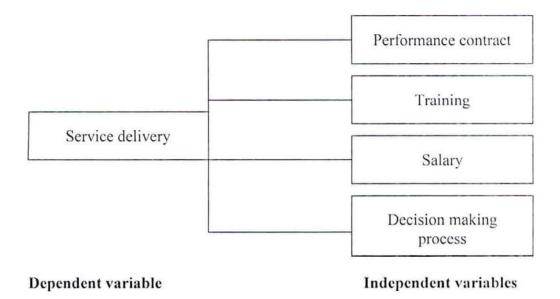
#### 2.2.4 Decision Making

The decision making process can be split into three stages namely; intelligence, design and choice (Benett: 1997). Intelligence means the analysis of the circumstances that made a decision necessary. Design involves the investigation of possible courses of action. Choice is the technique of selecting a particular outcome from the range of available solutions.

Decision-making can affect service delivery if the decision maker doesn't have the capability or if the decisions pass so many layers of people to reach to the recipients of the information. As the information pass so many people, there can be a danger of distorting the facts and for decisions to take a longer period to be implemented.

In order for organization to improve service delivery, there is need to have a quicker flow of information and whoever initiates them, should be a person of integrity and well trained.

Fig. 2.1 The conceptual framework



#### 2.3 GAPS TO BE FILLED BY THE STUDY

There is a lot of literature written concerning the management of the performance but they all fall sort of reviewing the effectiveness of performance contract on service delivery.

Past literatures done like implementation process of performance appraisal, employment performance management practices among others—reviewed mainly on how to measure the performance of the employees, the standards of performance measurement, and how to involve the rate's and the raters in the management of performance system.

The overall objective of the previous performance appraisal system which can be got from the past literature review, is how best it can improve the work in the organizations without putting into consideration the interest of the employees who in this case are the major players. This in essence has seriously undermined the objective of the performance appraisal system as a tool for improving the service delivery in the organizations. Readers of the past reviewed literatures can get the notion that all the organizations that apply performance contract will automatically get total quality service from its employees.

This study differs from the others because it is broad based. This is because it covers the effectiveness of performance contract on service delivery and it established that salary, decision-making process, and training can also affect service delivery.

All this culminates in bringing total quality service to the customers as compared to only when the performance appraisal method system is used to improve the service delivery as in the case with the previous literature reviews.

#### CHAPTER THREE

#### RESEARCH METHODOLOGY

#### 3.0 INTRODUCTION

This chapter covers study design, target population, sampling design, data collection procedures, data analysis and expected output.

#### 3.1 Study Design

The approach used in conducting the study was descriptive research because the intention of the study was to report objectively the effect of performance contract on service delivery in the Ministry of Lands and Settlement.

This is a method of gathering data through the measurement of some items through solitation from other people or documents (Koul: 1990). It involves the systematic collection of data in an entity or group entities and drawing conclusions from the data.

The study adopted the methodology of Omamo (2004). This methodology was adopted because it was used to study the factors used to improve services in a competitive environment. The factors studied were important to the objectives of this study, because they were used as a measure of improving service delivery in the Ministry of Lands.

#### 3.2 Target Population

The population of interest consisted of employees who were working in various departments in the Ministry of Lands headquarters in Nairobi.

There are five departments within the Ministry with a total population of 601 employees (MOL).

The summarized target population is shown in the table below

Table 3.1

Department	Number	
Administration and Planning	184	
Land department	189	
Physical planning	50	
Land Adjudication & Settlement	37	
Survey	141	
Total	601	

Source: Ministry of Lands (2007).

## 3.3 Sampling Design

The data of the research was gathered from the respondents who are working in various departments. Cluster sampling method was used because the respondents are grouped into 5 distinctive departments.

The study covered a sample size of 60 respondents. This number aroused from the 10% of the total population of 601. Mugenda etal (1999) argued that for descriptive studies, the 10% of the information collected from the accessible population is enough. The sample size was collected from each department was as per the table below.

Table 3.2

Department	Population	10% of the total Population	Sample Size
Administration and Planning	184	18.4	18
Land Department	189	18.9	19
Physical Planning	50	5	5
Land Adjudication and Settlement	37	3.7	4
Survey	141	14.1	14
Total	601	60.1	60

The respondents were selected randomly using random tables or Kish grid method. From all the departments, the researcher was qualified to use random tables because the respondents were qualified to perform their duties and they were all under performance contract. The data that was collected from the respondents were on salary, training and decision making process.

#### 3.4 Data collection procedures

The study used both primary and secondary data. The main research instruments that were used on primary data were the questionnaires. The questionnaires contained a 5 point likert scale, structured and unstructured questions. The questionnaires were dropped and picked by the researcher and an assistant after they have been duly filled. In

order to collect the accurate information, the respondents were given enough time to fill the questionnaires and they were assisted where they had a problem of understanding them.

The primary data used to collect data on salary, training and decision making process.

Secondary data was used to collect data on the impact of the performance contract on service delivery in the Ministry of Lands.

Performance was used to measure the effect of performance contract.

Secondary data included materials collected from the workshops conducted by the Ministry, reports written that were relevant to the objectives of the study and the returns of out put collected from the Central Records Registry of the Ministry.

When questionnaires were received back, they were checked for acceptability – completeness and quality. To ensure accuracy and precision, the questionnaires were edited in order to detect errors and omissions. This simplified coding and tabulation.

# 3.5 Data Analysis

Data analysis was done using descriptive statistical analysis. According to Mugenda and Mugenda (1999), descriptive statistics helps a researcher to meaningfully describe a distribution of scores using indices or statistics. A statistical package for social science (SPSS) was used in assisting to analyze the responses gathered from respondents using measures of central tendency, measures of variability, frequency distributions, and percentages. In order to measure the effect of performance contract, the study compared the performance between the years when the performance contract was not in place, with the years when it was operational. Performance contract was not in place in the year 2002 and below and it was introduced in the year 2003. The study covered the years 2000 to 2002 when performance contract was not in place and year 2003 to 2006 the period when it was introduced and implemented.

The year 2003 was not included in the study because that was the period for laying the infrastructure of how performance contract will be implemented. Performance was measured by the output achieved from various core activities of the Ministry of Lands like the number of title deeds issued in the year before and after performance contract, revenue and Appropriation In Aid (AID) collected, the amount of Settlement Fund

Trustees (SFT) recovered, among other quantifiable activities. To measure if service delivery has been affected by salary, training and decision making process, the study used the Likert scale model adopted from Omamo when studying the factors used to improve services in a competitive environment.

Table 3.3 Measurement of variables

Variables	Measurements	
Salary	Quite satisfied, satisfied, neither, di- satisfied and quite dissatisfied	
Training	Quite satisfied, satisfied, neither, di- satisfied and quite dissatisfied	
Decision making process	Quite satisfied, satisfied, neither, di- satisfied and quite dissatisfied	

Source: Omamo (2004)

# 3.6 Expected Output

The major role of introduction and implementation of the performance Contract in the Civil Service was to improve service delivery but despite carrying out this measure, service delivery has not improved to the expectations of the policy makers. For example in the Ministry of Lands the targets set for determination of land disputes, recovery of settlement fund trustees, registration and issuance of titles and repossession of illegally and irregularly acquired plots are not met. Since after the performance contract the service delivery has not improved to the expected level, the study recommends the policies which should be adopted and implemented in order to improve the services in the Ministry of Lands.

#### CHAPTER FOUR

# 4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 INTRODUCTION

# 4.1.1. Introduction to data analysis

This chapter reports the major findings of the study as they relate to each of the research questions. Responses on the closed-ended questionnaire items were summarized in tables, graphs and pie charts using frequencies and percentages.

#### 4.1.2. Response rate

The researcher issued out 60 questionnaires to the targeted respondents, specifically those employees working in various departments. All questionnaires were filled and returned. This account for 100% return rate. The reason why the response rate was high was attributed to the fact that most of the questionnaires were issued and collected immediately from the respondents.

# 4.2 QUANTITATIVE ANALYSIS

#### 4.2.1. Personal details and employment record

The respondents were asked to state the department in which they worked. 12 respondents represented each department. The percentage that represented all the 5 departments was 20%. The five departments were Administration and Planning, Land Adjudication and Settlement, Physical Planning, Lands departments and survey.

Table 4.1: Respondents working departments

Frequency	Percentage
12	20
12	20
12	20
12	20
12	20
60	100
	12 12 12 12 12

(Source: Field data, 2008).

# 4.2.2. Current designation

The researcher sought to find out the designations of various respondents. The percentage of the respondents by the designations was the same.

Table 4.2 Respondents current designations

Designation	Frequency	Percentage
Human Resource officers	12	20
Lands	12	20
Lands Adjudication and Settlement officers	12	20
Physical Planning officers	12	20
Surveyors	12	20
Total	60	100

(Source: Field data, 2008).

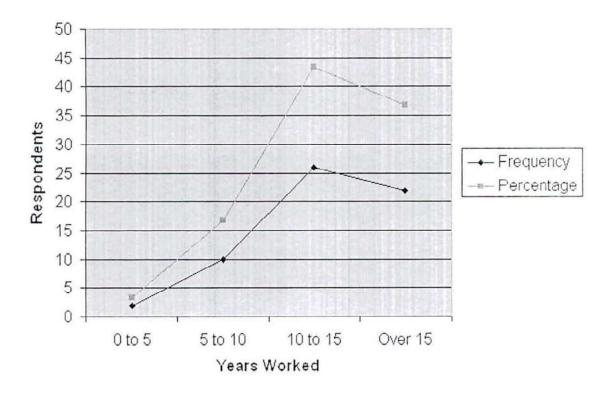
# 4.2.3. Number of years worked

The respondents were asked to indicate the number of years they had worked in their current positions. 3.3% indicated that they had worked for less than 5 years. 16.7% had worked for between 5 to 10 years. 43.3% had worked for between 10 to 15 years and 36.7% had worked for over 15 yeas.

Table 4.3: Number of year's respondents have worked in their current positions.

No. of years worked	Frequency	Percentage
0 – 5	2	3.3
5 – 10	10	16.7
10 – 15	26	43.3
Over 15	22	36.7
Total	60	100

Figure 4.1: Number of year's respondents has worked in their current positions.



(Source: Field data, 2008).

# 4.2.4. Highest level of education

Respondents in the questionnaire were required to indicate the highest level of education that they have attained. 68.3% of the respondents indicated that they were graduates. The reason for this greater number was that they were middle managers based at the Headquarters. 18.3% indicated that they had secondary education, 5% had postgraduate

education and 8.3% had higher diplomas. None of the respondents had the primary education.

Table 4.4 Highest level of education

Education level	Frequency	0 18.3 68.3 8.3	
Primary	0		
Secondary	11		
Graduate	41		
Diploma	5		
Post Graduate	3	5	
Total	60	99.9	

(Source: Field data, 2008).

# 4.2.5. Respondents who had signed performance contract

All the respondents indicated that they have signed performance contract. This represents 100%.

Table 4.5 Respondents who had signed performance contract

Have you signed performance contract	Frequency	Percentage
Yes	60	100
No	0	0
Total	60	100

(Source: Field data, 2008).

# 4.2.6. Effect of the performance contract on service delivery

The data collected on the performance of the employees showed that the performance had increased tremendously after the introduction and implementation of the performance contract.

Though the performance of the employees has increased, they were not meeting the set targets and the reason for this is that the performance contract alone cannot improve the service delivery as it has been shown clearly in the study.

The performance of the employees in the year 2000 to 2002 is as shown in the table below.

Table 4.6 Performance before performance contract

Activity	Year	Set Target	Targets achieved in Ksh
Collection of revenue and appropriation in Aid (AIA)	2000		458,270,189
	2001		450,108,209
	2002		451,520,100
Settlement of poor and landless	2000		9,025
	2001		9,225
	2002		8,500
Registration of Titles	2000		5,237
	2001		5,625
	2002		5,506

(Source: Departmental returns, 2000, 2001, and 2002).

The performance of the employees in the year 2004 to 2006 is as in the table shown below.

Table 4.7. Performance after the performance contract

Activity	Year	Set Target in Ksh	Targets achieved in Ksh	%	Targets not achieved in Ksh	%
Collection of	2004	1.2 billion	860,720,078	71.7	339,279,922	28.3
revenue and	2005	1,354,946,074	953,890,192	70.4	401,053,882	29.6
appropriation in Aid (AIA)	2006	1,400,000,000	980,253,134	70	419,746,866	30
Settlement of poor and landless	2004	16,000	13,760	86	2,240	14
	2005	17,000	14,876	87.5	2,124	12.5
	2006	17,000	16,541	97.3	459	2.7
Registration of	2004	120,000	63,379	52.8	56,621	47.2
	2005	130,000	70,548	54.3	59,452	45.7
	2006	130,000	82,148	63.2	47,852	36.8

(Source: Departmental performance, appraisal report, 2004, 2005, and 2006).

# 4.2.7. Salary

Respondents were required to indicate the salary they get. None of the respondents indicated that he or she gets less than 10,000 shillings. 11.7% of the respondents indicated that they get between 10,000 and 20,000, 33.3% get between 20,000 and 30,000, and 55% indicated they get over 30,000.

Table 4.8: Salary

Salary	Frequency	Percentage	
10,000 and below	None	None	
10,000 and 20,000	7	11.7	
20,000 and 30,000	20	33.3	
30,000 and above	33	55	
Total	60	100	

(Source: Field data, 2008).

8 30 40 Frequency None Percentage None

10001 to 20000 20001 to 30000 30001 and above

Salary

Figure 4.2: Salary offered to the employees

(Source: Field data, 2008).

# 4.2.7.1 Satisfied or dissatisfied with the salary offered

The respondents were required to indicate if they were satisfied or dissatisfied with the salary offered to them. Majority of the respondents representing 75% indicated that they were dissatisfied with the salary offered to them. 21.7% indicated that they were satisfied, 3.3% indicated neither and 21.7% indicated they were satisfied with the salary offered.

Table 4.9 Satisfied or dissatisfied with the salary offered

Frequency	Percentage
0	0
13	21.7
2	3.3
45	75
60	100
	0 13 2 45

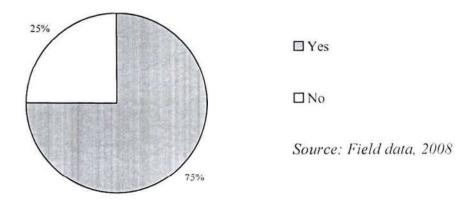
(Source: Field data, 2008).

## 4.2.7.2 If you are dissatisfied, are your services to the customers affected?

Respondents were requested to indicate if the salary offered to them affects their services to their customers.

Majority of the respondents representing 75% indicated that the salary offered to them affects their services to the customers.

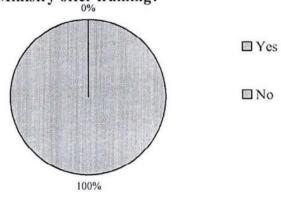
Figure 4.3: How salary offered to the employees affects service delivery



## 4.2.8. Training

Respondents were required to indicate if the Ministry offers training. Majority of the respondents representing 100% indicated that the ministry offers training to its employees.

Figure 4.4: Does the Ministry offer training?



Source: Field data, 2008

### 4.2.8.1 Satisfied or Dissatisfied by the Ministry's Training Policy

The respondents in the questionnaire were required to indicate if they are satisfied or dissatisfied by the Ministry's training policy.

Majority of the respondents representing 61.7% indicated that they are dissatisfied with the Ministry's training policy. Only 38.3% reported that they are satisfied with the training policy practiced by the ministry.

Table 4.10: Satisfied or dissatisfied with the Ministry's Training Policy

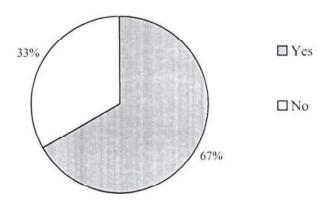
You are satisfied by the Ministry's training policy	Frequency	Percentage			
Quite satisfied	0	0			
Satisfied	23	38.3			
Neither	0	0			
Dissatisfied and quite dissatisfied	37	61.7			
Total	60	100			

(Source: Field data, 2008)

## 4.2.8.2 Impact of Training Policy in the service delivery to the members of the public

The respondents were required to indicate if their services are affected by the training policy practiced by the Ministry. 66.7% indicated that their services are affected by the Ministry's training policy.

Figure 4.5: How service delivery is affected by the Ministry's training policy.



Source: Field data, 2008

### 4.2.9. Decision making process

The respondents were asked whether the decision making process within the ministry is faster of slow. Majority of the respondents representing 80% reported that the decision making process within the Ministry is slow.

Table 4.11: If decision making process within the ministry is faster or slow

Opinion	Frequency	Percentage		
Faster	12	20		
Slow	48	80		
Total	60	100		

(Source: Field data, 2008).

## 4.2.10. Factors that can mostly lead to the improvement of the service delivery

The respondents were asked to indicate the factors that can mostly improve service delivery. The factors given were performance contract, salary, training and decision making process. The majority of respondents representing 88.3% indicated that the factor that can mostly lead to the improvement of the service delivery is salary.

Training representing 6.7% followed salary. Decision-making was represented by 3.3% and the respondents who indicated performance contract could improve service delivery were 1.7%.

Table 4.12: Factors that can mostly improve service delivery

1	
1	1.7
53	88.3
4	6.7
2	3.3
60	99.9
	2

(Source: Field data, 2008).

### 4.2.11. Did performance improve with the introduction of the performance contract?

The respondents were asked whether their performance improved after the introduction of the performance contract.

86.7% said that the performance had improved and 13.3% indicated that the performance didn't improve.

Table 4.13 the impact of performance contract on performance

Opinion	Frequency	Percentage
Yes	52	86.7
No	8	13.3
Total	60	100

(Source: Field data, 2008)

#### 4.3 QUALITATIVE ANALYSIS

## 4.3.1. Salary offered to the employees

Most of the respondents indicated that they are dissatisfied with the salary offered to them. As a result of their dissatisfaction with the salary, they reported that their services to the members of the public are affected because they have to struggle in trying to meet their basic needs. They do this by engaging in business and by doing this; some do not concentrate in their official jobs, as it is required.

#### 4.3.2. Impact of Training Policy in Service Delivery

Most of the employees reported that their services to the members of the public are affected by poor follow up of the training policy. For example they reported that they are taken to the training that does not add value to their performance. They also reported that they do not know how those trainings are carried out and therefore they do not benefit from it.

## 4.3.3. Effect of decision making process

Majority of the respondents reported that the slow decision-making process affects their services. They reported that they can not be able to serve the members of the public faster as it is required because some decisions takes longer to be accomplished.

#### CHAPTER FIVE

## SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 INTRODUCTION

In this chapter, the results of the study are discussed. In the chapter also the findings of the study are summarized. Suggestions for further studies are made for future researchers. Recommendations are made to the policy makers within the Ministry of Lands on how best to improve service delivery.

#### 5.2 SUMMARY OF MAJOR FINDINGS/ANSWERS TO RESEARCH QUESTIONS

It is evidently clear that after the introduction and implementation of the performance contract in the Ministry of Lands, the service delivery of the employees has increased. For example in the year 2005 after the introduction of the performance contract, the collection of the revenue and Appropriation in Aid (AID) increased to Ksh 953,890,192 from Ksh 860,720,078 in the year 2004. This was an increase of 9.8%. In the year 2006, collection of revenue increased by 2.7%.

Settlement of poor and landless in the year 2005 was 14,876 and this was an increase as compared to the year 2004 when 13,760 people were settled. This was an increase of 7.5%. In the year 2006, the settlement of poor increased by 10%.

Registration of titles increased from 63,379 in the year 2004 to 70,548 in the year 2005. This was an increase of 10%. In the year 2006, the registration of titles increased by 14.1%.

The increase of service delivery was attributed to the setting of targets after the performance contract because if comparison is done with the years when performance contract was not in place, performance was very low and it was not increasing in some years. For example collection of revenue in the year 2000 was Ksh 458,270,189 and year 2001 was Ksh 450,108,209. In that period, the collection of revenue reduced by Ksh 8,161,980.

On salary, the respondents stated that they are dissatisfied with the salary offered to them and therefore this affects their service delivery because some are engaged in businesses in

order to make ends meet. 75% of the respondents reported that the salary offered to them by the Government affects there services to the customers and only 25% who said their service delivery is not affected.

On training the responses were that, there is dissatisfaction of the Ministry's training policy and as a result of this, service delivery was reported to be affected. The respondents stated that their services are affected because there was no training needs assessment to ascertain the courses people are supposed to be trained in. It was also clear from the responses that training is done to few people and hence it does not benefit the many employees that require it.

61.7% reported that their service delivery is affected by the Ministry's training policy and only 38.3% who said that their services are not affected.

Most respondents felt that the decision making process within the Ministry is slow and therefore it affects service delivery. They responded by saying that some decisions takes longer to implement and thereby affecting services to the members of the public. Majority of the respondents stated that they are dissatisfied by the decision making process within the Ministry. They said it should be faster in order to improve the service delivery.80% of the respondents indicated the decision making process should be faster and only 20% who said they are comfortable with the decision making process within the Ministry.

A record majority of 100% reported that in order to improve service delivery, performance contract should be combined with good salary, training and faster decision making process.

## 5.3 CONCLUSIONS

Based on the findings in the study, it can be concluded that performance contract improved service delivery in the Ministry of Lands. It can also be concluded that performance contract alone cannot improve service delivery as it is evidently shown in the study. According to the responses gathered in the field, it can be concluded that the best motivator to make employees improve services to the customers is offering them

good salary, having clear training policy, having faster decision making process and fourthly to have performance contract in place

#### 5.4 RECOMMENDATIONS

In order for the Ministry of Lands to improve service delivery to their clients, on top of the performance contract, the following measures have to be put into consideration:

- The employees should be paid better salaries like the ones paid to the employees of the private sector.
- 2) The Ministry should have a clear and transparent training policy. This will make everybody within the Ministry to benefit from the training. The Ministry should also allocate more funds for training
- 3) The Ministry should do away with so many bureaucratic layers when discharging services to the members of the public. This will make services offered to be faster and efficient.

#### 5.5 SUGGESTION FOR FURTHER RESEARCH

This study paid more attention to the issue of performance contract in improving service delivery in the Ministry of Lands, which was started in the year 2003. However, performance contract has occupied the mind of the policy makers from the time of its inception in the year 2003 as a solution to improving performance and by extension service delivery in the state owned enterprises. The reason given for this is that state owned enterprises would be more efficient and accountable to their clients. It is therefore paramount that further studies be carried out in state owned enterprises to establish how best service delivery can be improved.

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## APPENDICES

#### APPENDIX I

#### SPECIMEN LETTER TO RESPONDENTS

I am a post graduate student researching on the topic, "the effect of performance contract on service delivery in the Ministry of Lands.

The findings of the study are expected to add more knowledge on improvement of the service delivery in the civil service. You have been selected randomly as one of the respondents in this study. I kindly request you to complete the questionnaire attached as accurately as possible.

The information given will be used strictly for academic purposes only and will be treated with utmost confidentiality.

Your cooperation will be highly appreciated.

Thank you.

GITARI MUGAMBI S. D53/10773/04

## APPENDIX II

## QUESTIONNAIRES

#### Introduction

The following questionnaire is intended for use as a self-administered questionnaire.

Please circle, or tick the number next to your answer or fill in the space provided as precisely as possible. Also ask for any assistance where necessary.

The information obtained is intended to review the effect of performance contract on improvement of service delivery in the Ministry of Lands.

The information obtained will be treated confidentially and no individual name of those who have contributed to this research project will be revealed.

## PART I

Personal detail and employment record
1. Department Name
2. Current designation
3. Number of years worked A. 0-5 B. 5-10
C. 10-15 D. Over 15
4. Highest level of education attained.
A. Primary
B. Secondary
C. Graduate
D. Post graduate
E. Other specify
5. Have you signed performance contract?  Yes
No

# PART II

# SALARY

6. Hov	v much salary do you get?						
A.	10,000 and below						
B.	10,000 - 20,000						
C.	20,000 - 30,000						
D.	30,000 and above						
7. Yo	u are satisfied with the salary offered.						
5.	Quite satisfied						
4.	Satisfied						
3.	Neither						
2.	Dissatisfied						
1.	Quite dissatisfied						
8. If you are dissatisfied, are your services to the customers affected?  Yes  No							
If yes, explain how services are affected in brief.							
PART III TRAINING							
10. Do the Ministry offer training to the employees?  Yes  No							

11. You are satisfied by the Ministry's training policy.

5. Quite satisfied 4. Satisfied 3. Neither 2. Dissatisfied 1. Quite dissatisfied
12. If you are dissatisfied, is your service delivery to the members of the public affected?  Yes  No
13. If yes explain in brief how? PART IV
DECISION MAKING PROCESS
14. How can you judge the decision making process within the ministry?  Faster Slow Slow
15. If they are slow, do you think they affect service delivery?  Yes  No
16. You are satisfied by the overall decision making process within the Ministry.  5. Quite satisfied  4. Satisfied  3. Neither  2. Dissatisfied  1. Quite dissatisfied  Signed

17. If dissatisfied, how are your services affected?
PART V
DECISION MAKING PROCESS, SALARY, TRAINING AND PERFORMANCE CONTRACT
18. Do you think performance contract alone can improve service delivery?  Yes  No
19. If No, indicate in order of merit the factors listed below which can mostly lead to the improvement of the service delivery.
Performance contract  Salary  Training  Decision making
20. Do performance improved with the introduction of the performance contract?  Yes  No

## APPENDIX III

## Work Plan

- 1. Pilot study
- 2. Adjustment
- 3. Data collection
- 4. Data coding
- 5. Data analysis
- 6. Compiling and report writing
- 7. Submission of the report 2007 Last week of November

Table 4.1

	Number of weeks												
PHASE	ACTIVITY	1	2	3	4	5	6	7	8	9	10	11	12
I	Pilot study												
II	Adjustments	645.0											
III	Data collection		OF COLOR	F									
IV	Data coding			AND SHADOW									
V	Data analysis				THE RESERVE								
VI	Compilation					A 7 E 31	(2005 FOE 9)			HI		基據	
VII	Report submission							1000000		1247	E 490	27 245	

# APPENDIX IV

# BUDGET

Ito	ems	Amount in Kshs.				
1.	Typing and printing	20,000				
2.	Photocopying/binding	15,000				
3.	Travel	15,000				
4.	Writing materials	8,000				
5.	Subsistence	20,000				
		-				
	Total	<u>78,000</u>				