

Effect of Performance Contracting On Service Delivery of Selected State Corporations In Uasin Gishu County

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Abstract: In the recent past, performance of the public sector has been consistently falling below the expectations of the public despite performance contracting being implemented in various departments of the public sector therefore making it necessary for a research to be carried out to assess the effects of performance contracting on performance. The purpose of this study was to assess the effects of performance contracting on organization service delivery. The specific objectives of this study were to establish the effects of work plan management on service delivery. Data was collected through questionnaires that were administered to employees of state corporations in Eldoret. The study adopted descriptive survey research design. The study targeted 147 employees drawn from various levels of management from 21 state corporations in Eldoret, the researcher used a census inquiry of the target population. Questionnaires were used as data collection instruments. To test validity the instruments were first validated by giving it to supervisors and research experts and reliability of the study were determined by use of internal consistency technique. The data was then entered into the Statistical Package of Social Sciences (SPSS) model 20 for Windows data and the results were presented using descriptive statistics that include frequency distribution tables, percentages and other measures of central tendency. It was therefore concluded that work plan management $\beta = 0.407$, $p \text{ value} = 0.000$. It is also recommended that state corporations as well as other organizations should base the evaluation of their employees 'performance on their achievements and identify the gaps and the reasons affecting the performance, they should develop and implement strategies that support change in culture. Further the study also recommends that the State corporations should increase performance to enable realization of sustainable economic growth by introducing inter-administrative comparison circles. Lastly a similar study can be done in other Counties in Kenya to find out if similar results would be realized. This would facilitate comparison and comprehensive results on the findings hence increase the validity of the results. In addition, similar studies should be done in other sectors of the economy in Kenya without necessarily restricting to state corporations in order to compare the findings.

Keywords: Performance Contracting, Service Delivery and Age work plan management

Date of Submission: 24-10-2017

Date of acceptance: 04-11-2017

I. Introduction

Performance Contracting is a type of management science also called Management Control Systems and here services are executed according to contractual agreement and on agreed-upon terms, in a specific period of time, within a given budget and performance standards. Performance contracting is one element of broader public sector reforms aimed at improving efficiency and effectiveness, while reducing total costs (Domberger, 2002). A performance contract entails a range of management tools which define duties and responsibilities between parties to achieve an agreed target, goals and objectives.

Globally, performance management is as a result of different practices performance management by the public sector, explosion of knowledge and human rights activities (Shaver, 2006). Ndung'u (2009) observed that Governments are faced with the challenge of improving service delivery while using fewer resources to deliver effective and efficient services demanded by the citizens. Gakera (2013) noted that in Asia, the performance contract concept has been used in Bangladesh, China, India, Korea, Pakistan and Sri Lanka. They have also been used at different times in Latin America, Argentina, Brazil, Bolivia, Chile, Colombia, Mexico, Uruguay and Venezuela. Others include Malaysia, United Kingdom, U.S.A, Canada. In Belgium, performance contracting in the public sector dates back to the breaking of the traditional monolithic government in the 1830s and stipulated the compulsory public utility service being provided by the agency and the government's conditions (Shaver, 2006). Although the paradigm of performance contracting in Belgium dates back in the

1800s, its science originated from France in the 1960s according to research done by Bouckaert et al (1999) and subsequently embraced by Pakistan and Korea and India.

In African countries, experience of poor performance public agencies called for new comprehensive public sector reforms strategy to address these problems. Countries such as Ghana, Nigeria, Gambia and Kenya in 2005 started managing public service through performance contracting (Kobia & Mohammed 2006). Ndung'u (2009) noted that the East African Community (EAC) performance Contract 2008/2009 stipulated expectations of member states (Kenya, Uganda, and Tanzania) commitment for common achievement including implementation of Strategic Plan (2007-2012) which was to ensure that appropriate work plans are developed on the basis comprehensive performance targets.

African organizations have introduced performance contracting as a tool of management and many more organizations continue to adopt it in both private and public enterprises. This has been noted by scholars for example Martin (2010) illustrated that performance contracting implementation ranges from nation-wide, organization wide, to only within particular organization divisions or programs. The effect of performance contracting varies in each state organization. Mostly at organizational level the employee and employer agree on the work and responsibilities of each and every member of staff and the position held. The arrangement is to set out how staff members' performance is to be measured and evaluated against organization set objectives (Akaranga, 2008).

A performance contract in the Kenyan scenario is an agreement put in black and white between government and a state agency delivering services to the public. Here quantifiable targets are implicitly specified for a particular period of time mostly within one financial year (July to June) and performance will be measured against agreed targets (Kenya, 2006; Obong'o, 2009). Performance contracting in Kenya was introduced in 2004. Since then, the system has gone through its own measure of successes and challenges (Associates, 2010).

Grapinet(2006) argues that the challenge experienced by Performance Contracting in most organizations is that, there is no employee participation during formulation of contracts, a task which in spite of directive from central government is still largely the preserve of managers. Messah & Kariuki(2011) agree in their study that, fifty nine percent (59%) of employees were not involved in setting performance contract targets, and 41% only were involved. Their findings incriminate low levels of academic qualifications for less number of employees being involved in setting targets. These justify the fact that performance goals are imposed from top management rather than collective process hence resistance or inefficiency by employees towards attaining them. Previous studies on PC have only taken into consideration organizations performance as a whole leaving the effect of PC on performance largely undocumented (Martin, 2010). Consequently, the study aimed at determining the effects of performance contracting on performance of state corporations in Eldoret Town, UasinGishu County.

1.2 Statement of the Problem

Effectiveness of performance in the State Corporations has been noted to be a big challenge and below the expectations and led to strained national budget without equivalent results (Prajapati, 2009; Muthaura, 2007; GOK, 2005). Performance Contracting has been implemented in most Ministries, Departments and Agencies (MDAs) due to benefits accrued, that is improved performance and administration. For example Ministries now set targets, draw out service charters with their clients and compare their performance with the best in the world (Messah & Kariuki, 2011). On the other side, the public is dissatisfied with performance contracting because the results do not reflect performance on the ground as perceived and received by the public.

The dissatisfaction is not only limited to members of the public but also to the Ministries, Departments and Agencies who have also challenged the announced results (Commonwealth of Australia, 1997). Due to these mixed results, it is important that research is conducted to ascertain the efficacy of Performance Contracting as a tool of improving performance. To be in touch with the successes and challenges of performance contracting in Kenya, Kobia and Mohammed (2006) carried out a survey among civil servants and identified the problems as lack of adequate resources to meet targets; staff had not received training in performance contracting and lack of experience with the implementation of performance contract. Njagi(2010) in his study on effects of performance contracting on performance at Postal Corporation of Kenya, identified reward system as the main issue. According to Wambua(2011), who did a study on the challenges of performance contracting as a tool of strategy implementation in Betting Control and Licensing Board found out that performance measurement, monitoring and evaluation are the main issues affecting performance contracting.

Implementation of the performance contracting in the public service aimed at revolutionizing performance in the public service (Prajapati 2009; Obong'o 2008; Muthaura 2007, Kobia& Mohammed 2006). In their studies, Muthaura 2007, Kobia& Mohammed 2006 and GoK 2010 reckoned that a deeper study was

required to unearth and reveal understanding on the role of performance contracting on variables such as productivity, employees' motivation, organizational culture and organization effectiveness. All these factors combined form the effectiveness of performance in the Kenyan State corporations. Therefore when the delivery of services is constrained or becomes ineffective, it affects the quality of life of people and nations development process (Grapinet, 2006). None of these studies has ever focused on the effects of performance contracting on performance of state corporations in Eldoret town while it is facing challenges on performance despite performance contracting implementation. Hence it is requisite to carry out a research on the effect of performance contracting on service delivery of State Corporations in Uasin Gishu County in order to fill in the existing gap.

II. Literature Review

2.1. Review of Theories

Theoretical frame works are explanations about a phenomenon, the study was grounded on 2major theories namely: institutional theory, and public value theory.

2.2.1. Institutional Theory

The study was guided by institutional theory developed by DiMaggio, Paul and Walter Powell. In 1983. Institutional theory is a policy making theory that emphasizes the formal and legal aspects of an institution. The institutional theory focuses on the rules and procedures established by organizations to maintain themselves and guide the behavior of staff and other stakeholders towards greater performance and performance. According to Hardina, Middleton, Montana and Simpson, (2007) institutions comprise of regulative .Structures and activities that help in providing stability and significance to social behavior so as to enhance performance. Regulations are derived from legislation, public opinions and legal decisions in the courts or through employee-employer negotiation and are often used to regulate the behavior of the organization, staff and others who interact with the institution. In some organizations, abiding by the rules becomes more significant than the actual delivery of services. Institutional theorists assert that the institutional environment can strongly manipulate the development of formal structures in an organization.

Nevertheless, these formal structures of legitimacy can reduce performance and hinder performance (Hardina, Middleton, Montana, & Simpson, 2007). Scott (2001) observed that despite the level of conformity presented by the Institutional theory, the theory is quite promising because it bridges the gap between societal views and organization's actions. Performance contracting managers are more aware of social views and opinions and more willing to incorporate societal norms and expectations, rules, regulations, and requirements in their daily operations of an organization.

According to Kobia and Mohammed (2006) performance contracts have been acclaimed as an effective and promising means of improving the performance of public enterprises as the theory asserts that the institutional environment strongly influences the performance of organizations in the public sector in provision of services. If the working environment is favorable to employees then services offered by an institution will be improved. Performance contracts aims at improving the working environment by incorporating employees' views and organizational goals and objectives when coming up with performance contracts.

Institutional theory is relevant to this study as it outlines policy making process as helps performance contracting managers more aware of social views and opinions and more willing to incorporate societal norms and expectations, rules and regulations.

2.2.2 Public Value Theory

Public value theory was developed by Moore in 1995 to provide public sector managers with a larger understanding of the constraints and opportunities within which they work, and therefore the challenge to form publicly valuable outcomes. Public value theory describes the value that a corporation contributes to society. The term was originally coined by Harvard academician Mark H. Moore who saw it as the equivalent of stockholder value in public management. Public value is meant to provide managers with a notion of how activities will contribute to the common good.

Public values are those providing normative accord concerning the rights and benefits to which citizens ought to and are entitled; the obligations of citizens to society, the state and one another; and therefore the principles on that governments and policies ought to be based mostly. Public value is value for the general public (Passmore and Coats, 2008). Value for the general public may be as a result of evaluations concerning however basic desires of people, teams and therefore the society as a full and are influenced in relationships involving the general public. Public value then is additional value from the public, drawn from the expertise of the general public. The general public is an imperative operational fiction of society. Any impact on shared expertise concerning the standard of the relationship between the individual and society will be described as public value creation. Public value creation is placed in relationships between the individual and society,

supported in people, brought about by subjective evaluations against basic needs, activated by and realized in emotional-motivational states, and created and reproduced in experience-intense practices (Green *et al.*, 2012)

Moore (2010), argue that Public value theory envisages a manager's purpose as going on beyond implementation of policy and adherence to institutional norms. It includes seeking out opportunities to form vital enhancements to the lives of the public, According to constable, Passmore and Coats (2008), in contrast to private enterprise, organizations providing public services are directly responsible to citizens and their democratic representatives.

The public value theory has relevancy to this study as it determines the extent to which performance contracting affects service delivery contribute to improvement of organization productivity in terms of provision of better services, organizational output, quality product and organizational sales turn over.

2.2 Work Plan Management

It involves coordinating the work that needs to be done with an emphasis on continuous innovation and improvement. The hallmarks are collegiality and cooperation, where responsibility is shared by each member of a group with minimal supervision from above (Korir, 2005). The group performs the task together willingly for a common purpose or benefit to accomplish the aim of the PC system in order to improve performance. To function effectively, it is important that all staff in an organization have a clear understanding of the organization's overall strategic direction.

Work plan involves an understanding between the employer and employee of what a particular job is, example the input required by the employee and what he/she should expect from the employer as remuneration and other benefits. Each and every individual working in the institution needs to understand what the vital success factors are, and how they can impact on their individual work plan also including the critical success factors for the work plan developed by their group. Understanding what the indicators for success are by members is important, what are the tools for success and what is needed and what the barriers to success may be. For work plan to be achievable and understood, there must be criteria for measuring success as well as defining the roles of both staff member and manager in achieving the plan's goals and furthering the aim of the system (Therkildsen, 2001) cited in (Kiema, 2012).

Work plan management is based upon Key deliverables and areas of responsibility to which staff members' contribution are determined. Parties involved that is an employee and employer agree on duties and responsibilities of each staff member and their position. This plan sets out on how the staff members' performance will be measured or evaluated against set objectives (Akaranga, 2008). Although, most of the time members of staff are not involved in drawing up contracts, a task which is largely still performed by managers. This signifies that performance contracting goals time and again are imposed from above rather than a collective thought process between the employer and employee.

In the process of formulating performance contracts the management should be consultative because this creates ownership and enables the setting of targets that are realistic by the implementing agency. In Swaziland where consultants were used to formulate and implement performance contracts lead to its failure. According to Kobia and Mohammed (2006) the early 1990s performance agreement failed to achieve its stated objective because of extensive use of consultants in the formulation of contract plans, together with the determination of 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. This was attributed to the fact that while the consultants may be knowledgeable about certain issues and areas that are generic to their field of specialization, they often lack an intimate knowledge of the unique socio-political and economic circumstances confronting individual countries, especially those of the third world. Different corporations have different mandates as per the laws establishing them.

For effective implementation of PC, the employees should be well focused, effective and competent. To achieve this, the public service should be trained properly. Also there should be continuous skill development, development and research to ensure sustainability and improvement of Performance contracting process.

H₀₁: There is no significant relationship between work plan management and service delivery of State Corporations.

III. Materials And Methods

3.1 Research Design

Orodho (2003) defines research design as the scheme, outline or plan that is used to generate answers to research problems. It can be regarded as an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with the study purpose. It constitutes the blue print for the collection, measurement and analysis of data. According to Mugenda and Mugenda (2003) its objective is to know the characteristics of the population in terms of population frame, sample size, sample selection and estimation methods.

This study adopted an explanatory design. Explanatory research can be defined as a method or style of research in which the principal objective is to know and understand the trait and mechanisms of the relationship and association between the independent and dependent variable. Panneerselvam (2004) also argues that an explanatory study analyses the cause effect relationship between two or more variables. According to Cooper and Schindler (2003), an explanatory study uses theories or hypotheses to account for the forces that caused a certain phenomenon to occur. They further say that it goes beyond description and attempts to explain the reasons for the phenomenon.

3.2 Population of the Study

Population refers to a group of individuals, persons, objectives or items from which a sample is taken for measurements (Kothari, 2006). The study targeted 147 respondents drawn from various levels of management from 21 State Corporations in Eldoret town Uasin Gishu County that was gazetted by the government of Kenya 2015 as shown in Appendix II. The respondents were targeted as they were able to give information on how performance contracting has affected the performance of the organization. In this case top and middle level managers are in a position to give vital information on performance contracting.

3.3 Census Inquiry

A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. A census provides a true measure of the population (no sampling error), benchmark data may be obtained for future studies and detailed information about small sub-groups within the population is more likely to be available. Since the population of the study was small (147), census was used to collect information from the entire population (Kothari, 2004).

3.4 Data Analysis and Interpretation

Descriptive statistics data analysis method was applied to analyze numerical data gathered using closed-ended questions. This was done using Statistical Package for Social Sciences (SPSS) computer software. SPSS was considered appropriate since it allowed the researcher to follow clear set of quantitative data analysis procedures that leads to increased data validity and reliability and demonstrates the relationship between the research variables. Descriptive analyses provide the foundation upon which Correlational studies emerge; they also provide clues regarding the issues that should be focused on leading to further studies (Kothari, 2005). Descriptive statistics helped to compute measures of central tendencies and measures of variability to determine how independent variables affect the dependent variable. Inferential statistics (multiple regression and correlation) was also used in the study Correlation analysis was used to establish with statistical significance, the nature of the existing relationship between the dependent variable and the independent variables. The researcher further employed multivariate regression model to study the effects of performance contract on service delivery. The research chose regression method because of its ability to test the nature of the influence of independent variables on a dependent variable. Regression was able to estimate the coefficients of the linear equation, involving one or more independent variables, which best predicted the value of the dependent variable. Therefore, the researcher used linear multiple regression analysis to analyze the data.

The multivariate regression model for this study was;

$$Y = \alpha + B_1X_1 + B_2X_2 + B_3X_3 + \epsilon \dots\dots\dots \text{Equation 3.1}$$

- Where Y represents service Delivery and
- X₁ Represents work plan management
- X₂ Represents Skill development and training
- X₃ Represents Performance measurements
- α Represents constant value
- ε Represents error term

Multiple regression has the following assumptions, Normality assumption where multiple regression assumed that all the variables have normal distribution (Kothari, 2010). Skewness and kurtosis were used to test normality of assumption. Linearity assumption; in this study it assumed that the relationship between variables is linear. Linearity can be tested with scatter plots. Homoscedasticity means that the variance of errors is the same across all levels of the independent variables. This assumption was checked by visual examination of a plot of the standardized errors (residuals) by the regression standardized predicted value. Multiple regression was used to test the hypothesis; the regression analysis sought to test the significance and nature of the relationship between study variables.

IV. Results And Discussion

4.1 Work Plan Management

The researcher sought to determine the effect of work plan management on organization performance of State Corporations in Uasin Gishu County. This helped to establish the extent to which work plan management affect organization performance of State Corporations. The responses presented and summarized in the Table 4.6.

Table 4.1 Work Plan Management

| Work Plan Management | A | | D | | td.D | |
|---|-----|-----|-----|-----|------|--|
| Performance contracting is geared towards organizational goals | 6 | 2 | 0 | .84 | .251 | |
| | 5.0 | 0.8 | .8 | .7 | | |
| Performance contracting stipulates clearly individual role | 8 | 1 | 6 | .96 | .705 | |
| | 6.9 | .0 | .8 | 5.5 | 9.8 | |
| There is employee participation in formulation of PC | 0 | 0 | 7 | .17 | .004 | |
| | .9 | 9.1 | 6.5 | .9 | 8.5 | |
| Performance contracting leads to the achievement of organizational objectives | 1 | 1 | 2 | .12 | .132 | |
| | 9.5 | 0.1 | .8 | 1.7 | .9 | |

From the findings in Table 4.1, the respondents indicated Performance contracting is geared towards organizational goals was supported by (mean 3.84; SD 1.151). The respondents were also in agreement that performance contracting stipulates clearly individual role (Mean 3.96; SD 1.075). Further on whether there is employee participation in formulation of performance contracting , the respondents agreed at (mean 4.17; SD 1.075). Lastly the respondents with a mean of 4.12 and a standard deviation of 1.132 agreed that Performance contracting leads to the achievement of organizational objectives. This implies that majority of the respondents agreed that work plan management is efficient in ensuring organizations achieve its objective this is because as majority of the responses lied between a mean scores of 3.5 to 4.8 on the continuous Likert. These findings correspond with that of Kiema, (2012), who stated that Work plan management involves an understanding between the employer and employee of what a particular job is, Each and every individual working in the institution needs to understand what the vital success factors are, and how they can impact on their individual work plan also including the critical success factors for the work plan developed by their group. Understanding what the indicators for success are by members is important, what are the tools for success and what is needed and what the barriers to success may be. For work plan to be achievable and understood there must be a criteria for measuring success as well as defining the roles of both staff member and manager in achieving the plan's goals and furthering the aim of the system. This is further supported by Institutional theory that emphasizes the formal and legal aspects of an institution and focuses on the rules and procedures established by organizations to maintain themselves and guide the behavior of staff and other stakeholders towards greater performance.

4.2. Inferential Statistics

Regression model was conducted in order to test the relationship between dependent and independent variable.

4.2.1 Tests for Regression Analysis Assumptions

To achieve the study objectives, the study highly relied on multiple regression analysis. To provide unbiased estimates of the study parameters, various assumptions of regression were tested, these include normality assumption linearity assumption and homoscedasticity means that the variance of errors is the same across all levels of the independent variables.

4.2.1.1 Normality Assumption

The study assumed that all the variables have a normal distribution. Kurtosis and Skewness were used in order to test the assumption of the normality of the population distribution, whereby a Skewness and kurtosis should be between ±1.96. Normality can be defined as, the shape of the data distribution for an individual variable and its association to the normal distribution, the benchmark for statistical methods. Skewness and kurtosis measures of the distributions should be calculated. Where Skewness describes how symmetrical the distribution is around the centre, kurtosis describes how flat or peaked the distribution is (Cohen *et al.*, 2003). Table 4.2 shows all variables with corresponding Skewness and kurtosis values.

Table 4.2 Descriptive Statistics

| | N | Skewness | | Kurtosis | |
|-------------------------|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Work plan management | 103 | -.871 | .238 | -.007 | .472 |
| Performance measurement | 103 | -1.236 | .238 | 1.476 | .472 |
| Skill development | 103 | -1.196 | .238 | 1.108 | .472 |
| Service delivery | 103 | -.937 | .238 | .021 | .472 |

From the table 4.2 above, it is indicated that the data used in this study is normally distributed and hence can be subjected to other statistical tests of significance used to test the relationship between independent and dependent variables that require normally distributed data.

4.2.2.2 Linearity Assumptions

Linearity assumption accurately estimates the relationship between dependent and independent variables; it tests if the relationships are linear in nature. Non linearity of the regression analysis under-estimate the true relationship between the study variables, this was done by use of the Pearson product moment Correlation. Saunders (2009) indicated that a correlation of 1 shows a Perfect linear correlation, correlation of between 0.9 and 1 indicates Positive strong correlation, correlation between 0.7 and 0.9 Positive high correlation, correlation of between 0.5 and 0.7 indicates a Positive moderate correlation, correlation of 0 and 0.5 Weak correlation while a correlation of 0 indicates No relationship and a correlation of -1 and 0 indicates a negative relationship. Linearity assumption was therefore satisfied. This implies that all the dimensions of performance contracting under study jointly have a positive and significant impact on service delivery of state corporations. The results are shown in table 4.3 below

Table 4.3 Linearity Assumptions

| | | Work plan management | Performance measurement | Skill development | Service delivery |
|-------------------------|---------------------|----------------------|-------------------------|-------------------|------------------|
| Work plan management | Pearson Correlation | 1 | | | |
| Performance measurement | Pearson Correlation | .764** | 1 | | |
| Skill development | Pearson Correlation | .737** | .854** | 1 | |
| Service delivery | Pearson Correlation | .795** | .865** | .871** | 1 |

**:. Correlation is significant at the 0.01 level (2-tailed).

4.2.2.3 Homoscedasticity

Homoscedasticity assumes that the dependent variable show an equivalent level of variance across the range of predictor variable. Homoscedasticity is one of the assumptions required for multivariate analysis. Although the violation of homoscedasticity might reduce the accuracy of the analysis, the effect on ungrouped data is not fatal (Tabachnick and Fidell, 2007). The study used Durbin-Watson statistic to test the assumption of Homoscedasticity, the Durbin-Watson statistic should be between 1.5 and 2.5.the results in table 4.4 indicated that The Durbin-Watson statistic is 1.821 which is between 1.5 and 2.5 and therefore the data is not auto correlated.

Table 4.5 Model Summary

| | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|------|-------------------|----------|-------------------|----------------------------|---------------|
| odel | .914 ^a | .835 | .828 | .298 | 1.821 |

a. Predictors: (Constant), skill development, work plan management, performance measurement
 b. Dependent Variable: Service delivery

4.3 Test of Hypothesis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables and service delivery in state cooperation. All the three null hypotheses were tested using the multiple regression models. For each hypothesis, the regression equations were first obtained using the B coefficients on the line of best fit. The decision rule was that when the p-value is less than the conventional 0.05 the null hypothesis is rejected and when it is above the conventional value 0.05 the null hypothesis is accepted,

4.3.1 Regression Coefficient between Work Plan Management and Service Delivery

The first study hypothesis indicated that there is no significant relationship between work plan management and service delivery of State Corporations.A simple multiple regression model was used to test for the relationship between the independent variables (work plan management) and dependent variable (service delivery). As shown below

Table 4.5 Model Summary of Work Plan Management

| | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|------|-------------------|----------|-------------------|----------------------------|
| odel | .795 ^a | .631 | .628 | .439 |

a. Predictors: (Constant), work plan management

The result on model summary as shown in table 4.5 above indicates that R= 0.795, R- square = 0. 631, adjusted R- square= 0.628, and the SE= 0. 439. The coefficient of determination also called the R square is 0.631. This means that the combined effect of the predictor variable (work plan management) explains 63.1% of the variations in service delivery of state corporations in Eldoret Town. This implies that a change in work plan management has a strong and a positive effect on service delivery.

Table 4.6 ANOVA of Work Plan Management

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|---------|-------------------|
| Regression | 33.262 | 1 | 33.262 | 172.886 | .000 ^b |
| Residual | 19.432 | 101 | .192 | | |
| Total | 52.694 | 102 | | | |

a. Dependent Variable: service delivery
 b. Predictors: (Constant), work plan management

The significance of the regression model was tested using Analysis of Variance (ANOVA). Table 4.6 above presents the results of this test. The regression model also indicated that it was significant (p = .000) to mean that it had not been computed by chance, this was because the significance value is 0.000 which is less than 0.05. This made the results of the regression model credible and reliable.

Table 4.7 Coefficients of Work Plan Management

| Model | Unstandardized Coefficients | | Standardized Coefficients Beta | t | Sig. |
|----------------------|-----------------------------|------------|-----------------------------------|--------|------|
| | B | Std. Error | | | |
| (Constant) | .833 | .251 | | 3.318 | .001 |
| Work plan management | .808 | .061 | .795 | 13.149 | .000 |

a. Dependent Variable: service delivery

Table 4.7 above shows the regression coefficients of the independent variable work plan management are statistically significant in explaining service delivery. It showed that work plan management was positive and significantly related to service delivery (B=0.808, p value=0.000). This implies that an increase in work plan management by one unit leads to an increase in service delivery by 0.808 units.

These findings correspond that of Kiema, (2012), who stated that Work plan management involves an understanding between the employer and employee of what a particular job is, Each and every individual working in the institution needs to understand what the vital success factors are, and how they can impact on their individual work plan also including the critical success factors for the work plan developed by their group

V. Conclusion

From the study in relation to the effects of work plan management on service delivery, it was concluded that there is a positive significant relationship between work plan management and service delivery of State Corporations service delivery, it was also concluded that contracting is geared towards organizational goals, it stipulates clearly individual role, ensures employee participation in formulation of organizational objectives. This is further supported by Institutional theory that emphasizes the formal and legal aspects of an institution and focuses on the rules and procedures established by organizations to maintain themselves and guide the behavior of staff and other stakeholders towards greater performance.

5.1 Recommendation of the Study

Based on the results, findings and conclusions the following recommendations have been made: On the effects of work plan management on organizational service delivery, State corporations should proactively keep a very close follow up of any policy designed aiming at any paradigm shift to monitor its implementation. In the performance contracting policy, supervision, resource allocation, rewarding performers or reprimanding non-performers should be considered.

5.2 Suggestion for Further Research

This research study focused on 21 State Corporations in Eldoret town Uasin Gishu County. A similar study can be done in other Counties in Kenya to find out if similar results would be realized. This would facilitate comparison and comprehensive results on the findings hence increase the validity of the results. In addition, similar studies should be done in other sectors of the economy in Kenya without necessarily restricting to state corporations in order to compare the findings.

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Jerop Rael Effect of Performance Contracting On Service Delivery of Selected State Corporations In Uasin Gishu County." *IOSR Journal of Business and Management (IOSR-JBM)*, vol. 19, no. 11, 2017, pp. 29-37.