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PERFORMANCE CONTRACT IN KENYAN PUBLIC UNIVERSITIES; IMPLEMENTATION ISSUES AND STRATEGIES

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ABSTRACT: *The purpose of the study was to investigate performance contract implementation issues and strategies in Kenya, a case study of Moi University.The objectives of study were to; investigate performance contract implementation issues in relation to staff performance review;* *asses performance contract issues in relation to consequences of signing performance Contract ;establish staff issues in relation to implementation of performance contract policy for lecturers.A case study was used to guide this study which utilized mixed method approach. The target population was 761 academic staff and 994 non academic staff. Purposive sampling was used to select 19 staff of high cadre. Proportionate stratified sampling was used to get 50% of the departments from each school and from departments in the administrative unit. A total of 170 academic staff and118 non academic staff participated in this study. Data was collected using questionnaires and interview shedules. Data was analyzed using descriptive statistics whereby frequencies and percentages were used. The study found out that employees were not allowed to participate and contribute in setting targets at the beginning of the contract period. Furthermore, it was found out that signing of performance contract led to improved service delivery,greater job satisfaction and customer satisfaction. However, good work is not noticed, recognized and rewarded and no sanctions were made at the end of the contract period. It was recommended that the institution should ensure that staff are allowed to participate and contribute in setting the realistic and achievable targets in their departments at the beginning of the contract period. The government through universities should design a reward or sanction system as they implement the signing of Performance Contract in government institutions. It was further recommended that; for proper implementation, more training on the content of the performance contract should be done. It is hoped that the findings of this study will form a basis for formulation of policies on strategies for effective implementation of performance contract in gorvenment institutions. Furthermore, policy solutions will be provided on challenges of implementing performance contracting. .*

KEYWORDS; Performance Contract, Implementation, Issues, Strategies, Service Delivery.

BACKROUND TO THE STUDY

Performance Contract (P.C) is a tool which is used to measure performance in institutions in the world over in the 21st Century. Institutions aim at improving quality of service delivery and improved customer satisfaction and therefore P.C has been implemented in order to reach these goals. Performance Contract is an agreement between the government and a public institution and specifies the intentions, obligations and responsibilities of each in a contract period. According to CAPAM (2005) performance contracting as part of strategic management is defined as a binding

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agreement between two or more parties for performing, or refrains from performing some specified act (s) over a specified period of time. It is a branch of management control systems which provide information that is intended for managers in performing their jobs and to assist organizations in developing and maintaining viable patterns of behavior (CAPAM, 2005).

Performance Contract (P.C) is a freely negotiated performance agreement between the Government, acting as the owner of a Government Agency, and the management of the agency (Pearls, 2009). Peterson. (2005) concurs with Pearls that performance contract is defined as a freely negotiated performance agreement between the Government, acting as the owner of the Government agency, and the agency. Pearls (2009) further argues that PC clearly specifies the intentions, obligations and responsibilities of the two contracting parties. Trivedi (2007), on the other hand observes that a Performance Contract (PC) is an agreement between a government and a public agency which establishes general goals for the agency, sets targets for measuring performance and provides incentives for achieving these targets. This implies that P.C is an agreement between the government and a public institution and specifies the intentions, obligations and responsibilities of each in a contract period.

Furthermore, performance contract constitutes a range of management instruments used to define responsibilities and expectations between parties to achieve mutually agreed results(Pearls,2009). It is a useful tool for articulating clearer definitions objectives and supporting innovative management, monitoring and control methods and at the same time imparting managerial and operational autonomy to public service It specifies the intentions, obligations and responsibilities of the parties. Kenya, Sensitization Training Manual, (2004) define P.C as a freely negotiated performance agreement between the Government, organization and individuals on one hand and the agency itself. Suresh Kumar (1994) defines performance contract as a Memorandum of Understanding (MOU). MOU is rooted in an evaluation system, which not only looks at performance comprehensively but also ensures forces improvement of performance managements and industries by making the autonomy and accountability aspect clearer and more transparent.

In addition, performance contract is defined as a management tool for measuring performance that establishes operational and management autonomy between government and public agencies (Jenkins ,2003). Furthermore, P.C privatizes the style of public sector management by focusing on results and not processes. It also measures performance and enables recognition and reward of good performance and sanction bad performance. Trivedi (2007) argues that in signing P.C a variety of incentive-based mechanisms for controlling public agencies—controlling the outcome rather than the process.

Moreover, a performance contract addresses economic, social or other tasks that an agency has to discharge for economic performance or for other desired results(England, 2000).England further asserts that P.C organizes and defines tasks so that management can perform them systematically, purposefully, and with reasonable probability of accomplishment. It also assists in developing points of view, concepts and approaches for determining what should be done and how to go about it. Performance contracts comprise determination of mutually agreed performance targets and review and evaluation of periodic and terminal performance.Trivedi (2007) argues that Performance Contract documents list the obligations of all public agencies (Chief Executives,

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Permanent Secretaries and head of other public agencies such as universities and municipalities). P.C also include specific criteria and targets to evaluate success. In addition, Trivedi (2007) argues that they prioritize the success indicators to clearly convey government's priorities to its managers. These documents are put on the internet for all to see and hold the agencies accountable.

Results based management is a procedure that is used by institutions to achieve specified targets by focusing on inputs, processes and outcome (OECD,1999). However, under performance contracts, targets are set and although the areas of concern are the outcomes rather than the processes, processes do determine the outcomes (Malathy,1997). Employees' perceptions in an organization are crucial to its success since the driving force behind the success rests on them. This is developed overtime and can change as new procedures, practices and experiences are adopted and acquired. The performance contracts were introduced as a management tool for measuring performance against negotiated performance targets (Kobia and Mohammed, 2006).Furthermore, P.C is a relevant tool which has given the Government an opportunity to set priorities and works towards them. Institutions work hard towards attainment of its targets(Republic of Kenya, 2010a).

Trivedi(2007) presents the view that performance contracts whether in public or private sector, have the major objective of providing a performance management technique that largely draws on performance measurement and monitoring and gives a basis for performance appraisal and rewards.

Morover, P.C enhances team spirit as Performance contracting entails setting achievable targets based on the shared Annual Work plans and Budgets. Once the PC is signed, it is the obligation of the officer to ensure achievement of the targets so long as the relevant resources are available. Republic of Kenya (2010a) argues that in order to ensure achievement of set targets in an environment of rising prices, unpredictable weather and economic uncertainties, team work is inevitable. Republic of Kenya (2010a) argues that it is through team work that resource synergies, complementarities and value-addition are exploited.This implies that teamwork is a prerequisite for achievement of set targets in a contract period. It further requires that there no obstacles in the path torward achievement of the set targets.

Furthermore,gorventment institutions that have implementated use of P.C have experienced challenges. In a study done by Omboi & Kariuki (2011) on factors affecting the implementation of performance contracts initiative in Municipal Council of Maua(MCM) in Kenya, the study showed that MCM did not create enough awareness to stakeholders on P.C's and its objective probably because of the inherent resistance and adverse public image. The study recommended that more training sessions to all members of staff should be done.This will enable them to understand P.Cs initiatives in relation to current duties and responsibilities being performed.It will also make them to embrace new practices and procedures with service recipient in mind, and involve staff members in decision making concerning their areas of operations(Omboi & Kariuki,2011). This might give a positive approach in delivery of service.

In a report on theReview of Performance Contracting in the Public Sector by a Panel of Experts on Review of Performance Contracting(Republic of Kenya ,2010a**),**the panel noted that there is need to standardize the performance contract instrument and harmonize the current four matrices

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into a unitary matrix that reflects and measures, firstly, the expectation, needs and interest of the citizen and customer, priorities and objectives of the government, internal effectiveness of government ministries and departments and to enable learning, growth and development to take place. Moreover,Republic of Kenya (2010a) argues that in the course of the review, a number of public institutions indicated that the formula used for performance evaluation was complex and not well understood and disadvantages organizations whose previous performance score on respective indicators was high as they are left with limited room for further improvement. In addition, the system was perceived by public institutions to favor organizations which negotiate low targets.This implies since the formula used for performance evaluation was complex and not well understood and that it disadvantages organizations.The gorvenment should therefore ensure that respective performance indicators was at the same level for all institutions.

Moreover, Republic of Kenya (2010a), noted that there is need to check on timing and timelines in the implementation process of the performance contract in particular, the pre-negotiation, negotiation, vetting, actual signing, implementation and evaluation phases and the information capturing and reporting process (including quarterly and annual reporting). This implies that there is need for timing and timelines in the implementation of the performance contract. This will enable both the government and the institutions to have successful implementation without exprerincing resistance to change.

Performance Contracting is part of the wider performance management system. In undertaking the review of Performance Contracting in the Public Service (Republic of Kenya,2010a), the panel reached the conclusion that the process is now institutionalized and mainstreamed in Public Service Institutions. However, the full benefits of Performance Contracting will be realized when all the three arms of Government will have embraced the system.

The Government is committed to ensuring that public offices like Universities are well managed and cost less in delivering efficient and quality service to the public (Republic of Kenya, 2010a). Furthermore,the purpose of performance contract is to establish clarity and consensus about priorities for the university's management. The contract represents a basis for continuous improvement as the Government is being reinvented to meet the needs and expectations of the Kenyan people. From this contract, should flow the program and management priorities of the University.

Furthermore, Performance Contracting in the world over has been implemented by organizations in order to improve performance. A large number of governments and international organizations are currently implementing policies using performance contracting to improve the performance of public enterprises in their countries (Trivedi,2007). Furthermore, P.C is now considered an essential tool for enhancing good governance and accountability for results in the public sector. However, Omboi & Kariuki (2011) agrees that performance based contracting has been identified by both the private and public sectors as an effective way of providing and acquiring quality goods and services within available budgetary resources. While, Odhiambo (2009) is of the view that all governments would like to be more efficient, more cost effective, more accountable and more responsive by implementing P.C.

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Moreover, Performance contracting has been implemented in order to improve service delivery. New Public Management models have therefore been invariably seen through the public service reform initiatives in many developing countries as the solution to reversing falling service delivery (Odhiambo,2009).Furthermore, Kobia & Mohammed (2006) asserts that the Kenyan government started implementing public sector reforms way back in 1993 with the aim of improving service delivery. In quest of this same goal, Odhiambo (2009) asserts that, Kenya introduced performance contracting not only to improve service delivery but also to refocus the mind set of public service away from a culture of inward looking towards a culture of business that is focused on customers and results.

In a key note address during the government's launch of performance contracts for the public sector the minister of state for public service in 2008 in Kenya, observed that the introduction of performance contracts is arguably the most significant reform agenda introduced by the Government in recent years. He argued that it is significant in three ways: firstly, it illustrates how public institutions convert tax shillings into the services that Kenyans desire, secondly, it links the emoluments paid to public officers to measurable performance and finally it helps evaluate government performance in meeting its national priorities.

Moreover, despite the fact that local authorities are created to ensure efficient and effective delivery of essential services, majority have been mismanaged (Omboi & Kariuki, 2011). However, with the introduction of performance contract there has been gradual improvement in service delivery. The study findings agree with those of Nellis (1995) that introduction of performance contract initiatives will enhance better service delivery by public institutions.However, Odhiambo (2009) asserts that a major and common reform area that many developing countries have been pursuing in the implementation of reforms involves the adoption of a multiplicity of measures intended to improve service delivery. Republic of Kenya (2010a) agrees with Odhiambo that the government of Kenya's performance management efforts is one of the unique approaches in the world aimed at improving service delivery in the public sector.

Furthermore, the key priorities of the Kenya Government is to implement and institutionalize public sector reforms that would lead to an efficient, effective and ethical delivery of services to the citizens(Kobia & Mohamed.2006).Moreover, more developing countries are undertaking efforts to re-focus capacities of the public sector to meet their economic, social and environmental challenges. There is also increased emphasis on efficiency, effectiveness, transparency and accountability in the civil service.

Moreover, Republic of Kenya (2010a) argues that the public seems to approve of the Government's performance in service delivery with over 47% of sampled respondents indicating that service delivery in public sector has improved compared to six years ago. Republic of Kenya (2010a) further asserts that there have been proposals that the Government introduces a reward/sanctions scheme to boost the impact of Performance contracting in the public service. The government proposals have been informed by the fact that public officials would feel more enthusiastic participating in an exercise that promises some reward. Republic of Kenya (2010a) found out that 92% of the institutions sampled would want P.C to be linked to some system of

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reward/sanction so long as the reward scheme is objectively and transparently agreed upon at the beginning of the year. Rewards will also ensure that employees are motivated.

Omboi & Kariuki (2011) recommended that the objectives of the policy were to improve service delivery to the public by ensuring that top-level managers are accountable for results, improve efficiency and ensure resources are focused on attainment of key national policy priorities, institutionalize performance - oriented culture in the public service, measure and evaluate performance, link reward and sanctions to measurable performance, reduce or eliminate reliance on exchequer funding or government agencies which should generate revenues or make profit.

On innovation, that performance contracting has played an important role in ensuring institutions become innovative(Republic of Kenya,2010b). Furthermore,Public Universities have moved from being dependent on Government funding to identifying ways of generating internal revenues to finance their operations. Kervasdoue (2007) asserts that no one would disagree that performance evaluation is necessary in public affairs. Governments and their bureaucrats must be accountable to their citizens about all use of taxes and public funds. Huezynski and Huchanan, (2001) state that with these environmental changes, public organizations have come under intense pressure to improve their operations and processes so as to reduce reliance on exchequer funding and also to increase transparency in operations and utilization of public resources, increase accountability for results and deliver services more efficiently and at affordable prices.

Furthermore, Omboi & Kariuki (2011) found out that with the introduction of performance based module, employees indicated that work environment in their areas had improved as they were able to work towards given targets. Republic of Kenya(2010a) asserts that PC systems has impacted immensely on all sectors of the economy, in particular,the enormous increase in tax revenue collection, is enabling the government tospeed-up and expand provision of essential social services and to implement keydevelopment programmes across the country.

From the foregoing it is apparent that Performance Contacting in the public service remains extremely relevant and should be enhanced in Universities. This is because it leads to improved service delivery and customer satisfaction. Public officials including University staff need to be accountable to the public through an objective criteria negotiated and agreed upon between the officers and the general public on whose behalf they must act.

Statement of the Problem

The Kenyan government introduced performance contract policy through Legal Notice No. 93 of the state corporations (performance contracting) regulations, 2004 (Republic of Kenya, 2004). In introducing performance contract policy the Government of Kenya aimed at improving service delivery, efficiency and effectiveness of staff and customer satisfaction in the public sector. Performance Appraisal System (PAS) in the public service was rolled out from 1st July, 2006. It is a supportive tool to the realization of targets in performance contract and for achieving ministerial/departmental objectives. In the first year of roll out 2006/2007, the appraisal system (PAS) was found to be effective in enhancing staff performance and identifying requisite skills. It raised staff awareness, sense of accountability and understanding of their responsibilities and duties.

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Furthermore, despite the role out of PAS and the need to have signed the performance contract by 1st July 2005, not all government employees had signed the performance contract by June, 2012. The permanent secretary in the ministry of state for public service in his presentation on “Reform initiatives in the human resource function in the civil service,” in 2008, highlighted some of the challenges in implementation of performance contract as mindset resistance to the instrument and lukewarm commitment of senior staff to provide leadership to ensure the appraisal system is implemented. The introduction of performance contracting met some resistance within certain Government institutions including the judiciary and parliament (Republic of Kenya, 2010a). In the education sector, the teachers have resisted to sign the performance contract citing poor remuneration and lack of dialogue with the government. While the then Prime Minister was of the view that teachers and civil servants must sign performance contracts (The Standard, 19, July, 2008). The University Academic Staff Union (UASU) also resisted the signing of performance contract. According to Moi University performance contract office, by July 2010, not all staff had signed performance contract. Moi University Strategic Plan (2005-2015) argued that there was staff resistance towards the P.C initiative.

Moreover, Taylor (1999) doctorate study examined the perceptions of university academics in Australia on the effects of research and teaching as a result of introduction of funding based in research performance indicators. However, Kobia and Mohammed (2006) did a study on the successes and challenges of implementing performance contracting in Kenya. Omboi & Kariuki (2011) did a study on factors affecting the implementation of performance contracts initiative in Municipal Council of Maua in Kenya. Letangula & Letting (2012) researched on effects of performance contracting on performance of employees at the ministry of education. .Additionally, other studies conducted on performance contracting have concentrated on implementation (Ogoye, 2002).One study has tackled the general impact of performance contracting in state corporations (Korir, 2006).

Unlike this study, all the above studies contextualized on factors, successes and challenges of implementing performance contract initiative. Similarly, none of the above studies undertook a study on performance contract implementation issues and strategiesin public universities. This study focuses on performance contract implementation issues and strategies at Moi University in Kenya. The choice of this study was therefore informed by inadequate facts on performance contract implementation strategies. Addressing this situation will lead to the formulation of a more evidence-based policy on performance contract implementation strategies in public universities in Kenya.

Purpose of the Study

The purpose of the study was to investigate performance contract implementation issues and strategiesin public universities.

Objectives of the Study

- To investigate performance contract implementation issues and strategies in relation to staff performance review**.**

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- To asses performance contract issues and strategies in relation to consequences of signing P.C
- To establish staff issues and strategies in relation to implementation of performance contract policy for lecturers.

Significance of the study

The findings of this study forms a basis for policy formulation and master plans on how performance contracting can be fully implemented through involvement of all stakeholders in public and private institutions.

The knowledge gained from this study will also stimulate interest among education planners, education researchers, administrators and students on the need for further research on strategies and mitigation of challenges of implementation of performance contract in developed and developing countries.

MATERIALS AND METHODS

The study was carried out at Moi University in Eldoret,Kenya. Moi University was established in 1984 as the second public university with a bias towards science and technology. The Main Campus site is located 38 kilometres to the South of Eldoret Town and 312 kilometers (North West of Nairobi). A case study research design was adopted for this study. It utilized both quantitative and qualitative methodologies in order to gain an in-depth understanding of performance contract implementation issues and strategiesin public universities. Creswell & Plano Clark (2007) argues that the use of quantitative and qualitative approaches, in combination, provides a better understanding of research problems than either approach alone.

The target population was 761 academic staff, 994 non academic staff. The academic and non-academic staffs of higher cadre were studied because they are required by the government to sign performance contract. Purposive sampling was used to select 19 staff of high cadre. Proportionate stratified sampling was used to get a total of 170 academic staff and118 non academic staff who participated in this study.

A questionnaire was administered to 170 academic staff and 118 nonacademic staff. A questionnaires can be used to cover a wide area and there is no bias on the side of the researcher and respondent (Kombo and Tromp,2006). Interpretivist employ data gathering methods that are sensitive to context (Neuman,2003), and which enable rich and detailed, or thick description of social phenomena by encouraging participants to speak freely and understand the investigator's quest for insight into a phenomenon that the participant has experienced. Interviews were therefore used as data gathering method since the researcher was interested in getting rich and detailed description of issues and strategies of implementing performance contract.

Reliability is the degree of consistency, that is, the accuracy of estimate of the target attribute (Mertens, 2008, Kombo & Tromp, 2006). In order to ensure the reliability of the instruments test-retest was carried out when piloting the instrument. The questionnaires schedules was piloted and tested for reliability. Pearson product moment correlation coefficient was calculated to determine this. A coefficient of 0.50 is the minimum reliability coefficient value required to judge an

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instrument reliable (Koul, 1984). Therefore the instrument was accepted as reliable for the study since a coefficient of 0.75 was realized.

To achieve the objectives, descriptive data analysis was employed whereby frequencies and percentages were calculated on performance contract implementation issues and strategiesin public universities. The opinion of the administrators which was collected through in-depth interviews was organized and content analysis was done. Predominant themes arising from each item was grouped to come up with different themes.

RESULTS AND DISCUSSION

1.7.1 Performance Contract Implementation Issues and Strategies in Relation to Staff Performance Review.

The first objective sought to investigate performance contract implementation issues and strategies in relation to staff performance review. This is shown on table 1.1;

Items	**Weight (w)**				
	Undecided	**Strongly Disagree**	**Disagree**	**Agree**	**Strongly Agree**
	1	2	3	4	5
	Frequency/Percentage				
We meet at the end of the contract period to review the performance of the year and identify the strengths and weaknesses in the contract period (n; 288)	18(6.3)	44(15.3)	126(43.8)	74(25.7)	26(9.0)
Good work performance is noticed, recognized and rewarded at the end of the contract period (n: 285)	20(7.0)	64(22.5)	116(40.7)	63(22.1)	22(7.7)
Staff who have not performed are warned (n; 278)	40(14.4)	51(18.3)	101(36.3)	79(28.4)	7(2.5)
Staff who have not performed are given suggestions on solutions to their weaknesses (n: 288)	38(13.2)	52(18.1)	88(30.6)	89(30.9)	21(7.3)

Table 1.1: Performance Contract Implementation Issues and Strategies in relation Staff performance review

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Furthermore, from table 1.1,the study found out that majority 170(59%) of the respondents disagreed that they do not meet at the end of the contract period to review the performance of the year and identify the strengths and weaknesses in the contract period. While 100(35%) agreed that they meet at the end of the contract period to review performance of the year. Few 18(6%) employees did not have a stand point. This implies that they do not meet at the end of the contract period to review performance of the year.

Moreover, when respondents were asked if their good work is noticed, recognized and rewarded at the end of the contract period, most 180(63.2%) of them disagreed that it is not noticed, 85(29.8%) consented that it is recognized and the rest 20(6.9%) did not take sides on this issue. In giving their general views some respondents argued that there should be an evaluation and feedback given to the employees who sign the performance contract. Republic of Kenya (2010a) argues that there have been proposals that the Government introduces a reward/sanctions scheme to boost the impact of performance contracting in the public service. Republic of Kenya (2010a) further argues that these proposals have been informed by the fact that public officials would feel more enthusiastic participating in an exercise that promises some reward. Republic of Kenya (2010a) found out that 92% of the institutions sampled would want PC to be linked to some system of reward/sanction so long as the reward scheme is objectively and transparently agreed upon at the beginning of the year. However, Professor Guest of United Kingdom College warned that crude measures such as financial incentives linked to performance would not be suitable for the higher education sector. This implies that signing PC should be linked to rewards which will ensure that employees are motivated to work hard in the contract period. Therefore, university management has a duty to design the best method of rewarding staff who have performed in the contract period.

Additionally, as indicated in table 1.1, most 152(52.8%) respondents disagreed that staff who have not performed in their institution are not warned, 86(29.8%) of the respondents agreed that they are warned, while the rest 40(14.4%) were undecided. From the same study it was revealed that 140(48.7%) respondents disagreed that staff who have not performed are not given suggestions on solutions to their weaknesses, 110(38.1%) were for they view that they are given and 38(13.2%) were not decided on this question. In giving their general views on PC some respondents noted that PC should not be used as a tool to follow employees when performing their duties but they should understand the purpose of their employment and do it to their very best. One of the senior management respondent was of the view that;

> *"sanctions that are likely to be used by the University includes withholding yearly salary increment from staff who have not performed in the contract period while those who perform get their increments".*

Moreover, the above proposal is in agreement with the federal government of Germany's initiative on salary structure for newly appointed professors that, they were no longer going to be granted automatic salary increases every two years but performance criteria was to be applied for salary supplements (UNESCO, 2003). Jenkins (2003) agrees that P.C measures performance and enables recognition and reward of good performance and sanction bad performance. This suggests that

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the university has not designed sanctions for poor performance. When sanctions are put in place it is likely that performance will improve as long as it is stated clearly at the beginning of the contract period.

Performance Contract Implentation Issues and Strategies on Consequences of Signing P.C.

Furthermore the second objective sought to asses issues on the consequences of signing the performance contract. The results are indicated on table 1.2.

Items	**Weight (w)**				
	Undecided	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4	5
	Frequency/Percentage				
Employees who don't sign the performance contract should be sacked	43(14.9)	115(39.9)	104(36.1)	24(8.3)	2(0.7)
An occasional suspension from duty due to not meeting the targets in the performance contract should be employed (n: 286)	31(10.8)	75(26.2)	114(39.9)	62(21.7)	4(1.4)
I feel intimidated when asked to sign the performance contract (n; 288)	12(4.2)	55(19.1)	119(41.3)	67(23.3)	35(12.2)
Too much pressure is exerted on staff who don't sign the performance contract (n: 286)	35(12.2)	38(13.3)	99(34.6)	90(31.5)	24(8.4)

Table 1.2 Consequences of Signing the Performance Contract

Futhermore, results from table 1.2 indicates that majority 279(76%) of the respondents disagreed with the idea that it is good for employees who don't sign the performance contract to be sacked, while a small percentage 26(9.1%) agreed and 43(14.9%) made no judgment on this item. When respondents' opinion was sought if an occasional suspension from duty due to not meeting the targets in the performance contract should be employed in the institutions, as indicated by table 1.2, majority189(66.1%) of them disagreed, 66(23.1%) agreed and only 31(10.8%) were not certain on this question. When giving their general views on P.C respondents noted that one should not be victimized if they don't achieve their objectives in the contract period but should be advised.

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University Academic Staff Union(UASU) agrees that the main reason why they are resisting signing PC by academic staff is because there were no agreed reward/sanctions on staff who sign P.C. UASU official interviewed revealed that they don't agree with sacking staff who don't meet the targets in the contract period. This implies that respondents are not comfortable with sacking and suspension from duty but prefers no victimization and advice on non performance. Republic of Kenya (2010a) found out that 92% of the institutions sampled would want P.C to be linked to some system of reward/sanction so long as the reward scheme is objectively and transparently agreed upon at the beginning of the year.

From table 1.2, most 174(60.3%) respondents said they would feel intimated when they are asked to sign the performance contract, 105(35.5%) said they would not feel intimidated and only 12 (4.2%) were undecided. One senior management interviewed revealed that;

> "*When performance contract was introduced to staff they were nervous and panicked because they perceived it as a short cut to removing them from their jobs. The respondent further revealed that staff perceived that signing performance contract was going to tie them and will be used to catch them".*

This implies that staff requires enough preparation before a new change is implemented such as the signing of P.C. Moreover, from table 1.2, 137(47.9%) respondents disagreed that too much pressure is not exerted on staff who don't sign the performance contract, 114(39.9%) agreed that there is too much pressure and the rest 35(12.2%) were undecided. This shows that staff were free to make a decision on signing P.C. Pearls (2009) points out that performance contract constitutes a range of management instruments used to define responsibilities and expectations between parties to achieve mutually agreed results.

Performance Contract Implementation Issues and Strategies for Lecturers.

Furthermore, the third objective sought to investigate performance contract implementation issues and strategies for lecturers. The results are indicated on table 1.3

Items	**Weight (w)**				
	Undecided	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4	5
	Frequency/Percentage				
Time for teaching should be adhered to(n: 249)	9(3.6)	5(2.0)	3(1.2)	112(45.0)	120(48.2)

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Reporting on the job should be 8:00 am and leaving at 5:00 pm (n: 250)	17(6.8)	41(16.)	65(26.)	74(29.6)	53(21.2)
Marking of exams and submitting on time should be adhered to (n: 250)	9(3.6)	2(0.8)	8(3.2)	106(42.)	125(50.0)
Signing of a sheet when teaching in class to mark himself/herself present should be done (n: 248)	22(8.9)	27(10.9)	26(10.5)	104(41.9)	69(27.8)

Table 1.3 Performance Contract Implementation Strategies for lecturers

Similarly, regarding the statement that time for teaching should be adhered to, from table 1.3, majority 232 (93.2%) of the respondents agreed that besides signing performance contract time for teaching should be adhered to, while only 8(3.2%) disagreed and 9(3.6%) were undecided. When respondents were asked on the most appropriate time for teachers to report at 8:00 and sign out at 5:00 pm from their work station, half 127(50.1%) of the respondents disagreed, 106(42.4%) agreed and 17(5.9%) did not respond to this item. Majority 236(92.4%) of the respondents agreed that the marking of exams and submitting on time should be adhered to, while only 10(4%) disagreed and 9(3.6%) of those who responded to this item were undecided. This implies that academic staff would want to follow the assigned duties of a lecturer, to teach, examine and do research. On the other hand, administrative staff felt that teaching staff should report to work like them, at 8.00 am and leave at 5.00 pm while academic staff do not agree with this since they want to dedicate free time to research.

Furthermore, from table 1.3 more than half 173(69.7%) of the respondents agreed that teachers should sign a sheet when teaching in class to mark himself/herself present, while 53(21.4%) disagreed and the rest 22(8.9%) were undecided on this item. Some teaching staff respondents were of the view that it is unnecessary for teaching staff because one is not in control of other factors affecting students' academic performance at the end of the academic year. The respondent argued that P.C should also check on students' strength and weaknesses and working hours. They were of the view that P.C should be signed only by the university management such as heads of departments and deans. UASU official interviewed said;

> *"I am of the view thatteaching staff should not sign performance contract because there are various variables that affect effective teaching such as unavailability of reference books for teaching staff which would have supported teaching. It is also important to consider students performance as another variable affecting staff performance.. This will affect the achievement of targets in the contract period. I suggest that university*

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management should sign performance contract up to heads of department level only because they will be promoted on the basis of their performance".

Moreover, the key issue here is the fact that staff may be supported by the union not to sign P.C.This implies that teaching staff are comfortable with the way they have been doing things and it might take some time to cascade the signing of performance contract to them. It also means that UASU officials will still continue resisting the implementation of the signing of P.C for lecturers. Although studies by Pearls(2009), Perterson(2005) and Trivedi (2007) agree that P.C is a freely negotiated agreement between two parties at the beginning of the contract period.

CONCLUSIONS

It can be concluded that employees were not allowed to participate and contribute in setting their realistic and achievable targets, nor was there assessment of the targets in the contract period. This implied that the supervisor dictates the goals and targets to the subordinate without allowing any input from him/her and then demand that they be met in a specified time.

Moreover, it can be noted that signing of performance contract led to greater job satisfaction, improved service delivery and that customer satisfaction has greatly improved.

Similarly, it was noted that good work is not noticed, recognized and rewarded at the end of the contract period.However, staff that have not performed in their institutions are not warned and were not given suggestions on solutions to their weaknesses.

Moreover, on the consequences of signing the performance contract it can be concluded that the institution did not agree on sacking employees who don't sign the performance contract and that occasional suspension from duty due to not meeting the targets in the performance contract should not be employed.

RECOMMENDATIONS

1. University management should ensure that staff are allowed to participate and contribute in setting their realistic and achievable targets in their departments at the beginning of the contract period. There should be shared understanding about what is to be achieved in the short and long term. Staff should be given adequate authority to accomplish their goals.
2. University management should have a dialogue with staff about P.C and to ensure that no tough measures are introduced at the beginning as they cascade the signing of P.C. to all staff.
3. The government through universities should design a reward or sanction system as they implement the signing of Performance Contract in government institutions.
4. Furthermore, it is recommended that; for proper implementation, more training on the content of the performance contract should be done so that there is improved functionality of the performance contract at all levels.

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