

A Study on Effects of Performance Contracting Implementation on Service Delivery at Kenya Ports Authority



Law

KEYWORDS: Public Sector Reforms (PSR), Performance Evaluation and Monitoring, Standards and Performance Targets, Performance Incentive System

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ABSTRACT

The Kenyan Government responded to public service delivery challenges by formulating and implementing Public Sector Reforms (PSR) way back in 1993. In 2004 it introduced Performance Contracting in public service as a strategy for improving service delivery to Kenyans. A knowledge gap exists regarding the effect of Performance Contracts implementation on service delivery at Kenya Ports Authority. The proposed study sought to investigate the impact of performance contracting implementation on service delivery at Kenya Ports Authority. The independent variables under consideration were Performance Evaluation and Monitoring, Standards and Performance Targets and Performance Incentive System. This study utilized a questionnaire to collect purely quantitative primary data which was then coded to enable the responses to be grouped into various categories and then analyzed by descriptive analysis such as measure of Central Tendency and Measure of Dispersion to generate quantitative reports. Tables were used to present responses and facilitate comparison.

INTRODUCTION

Performance Contracting is part of the broader Public Sector Reforms aimed at improving efficiency and effectiveness in the management of the public service. A Performance Contract is a freely negotiated performance agreement between the Government, acting as the owner of a Government Agency, and the management of the Agency. It clearly specifies the intentions, obligations and responsibilities of the two contracting parties (Domberger, 1998).

A large number of governments and international organizations are implementing policies using this method to improve the performance of public enterprises in their countries. Performance Contracts represent a state-of-the-art tool for improving public sector performance. They are now considered an essential tool for enhancing good governance and accountability for results in the public sector. (OECD, 1997).

Performance Contracting in Kenya

The Public service and in particular the civil service plays an indispensable role in the effective delivery of public services that are key to the functioning of a state economy. Public services in many African countries are confronted with many challenges, which constrain their delivery capacities (Lienert, 2003).

They include the human resource factor, relating to shortages of the manpower in terms of numbers and key competencies, lack of appropriate mindsets, and socio-psychological dispositions. There is also the perennial problem of the shortage of financial and material logistics that are necessary to support effective service delivery. On the other hand, the gradual erosion of the ethics and accountability has continued to bedevil the public sector in delivering public services to the people effectively. Public sector reforms meant to address these challenges have achieved minimal results (AAPAM, 2005).

The Kenyan Government responded to public service delivery challenges by formulating and implementing Public Sector Reforms (PSR) way back in 1993. Initiatives targeting performance improvement and management in the public service were guided by Economic Recovery policy direction (DPM, 2004). In the Economic Recovery Strategy for Wealth and Employment Creation (ERS) 2003-2007 policy document, in which the government accords high priority to economic recovery and improving the performance of public service to deliver results to the people. In effort to achieve the objectives and targets of ERS and to manage performance challenges in public service, the Government adopted Performance Contracting in public service as a strategy for improving service delivery to Kenyans (DPM, 2004).

Kenya Ports Authority

Kenya Ports Authority (KPA) is a state corporation with the responsibility to “maintain, operate, improve and regulate all scheduled seaports” on the Indian Ocean coastline of Kenya, including principally Kilindini Harbour at Mombasa. Other KPA ports include Lamu, Malindi, Kilifi, Mtwapa, Kiunga, Shimonni, Funzi and Vanga. The Kenya Ports Authority (KPA) was established by an act of parliament (The KPA act Cap 378 of 1978) to manage the scheduled Ports along the Kenyan coast, the largest being the Port of Mombasa and the Inland Container Depots.

Statement of the problem

The implementation of performance contracting in the last five years (since 2004), creates a need to establish how the implementation has impacted on service delivery at Kenya Ports Authority. The proposed study seeks to investigate the impact performance contracting implementation has had on service delivery at Kenya Ports Authority.

Scope of the Study

The study focused more on effectiveness of the frameworks within Kenya Ports Authority. It covered Kilindini Harbour at Mombasa, Lamu, and Nairobi Inland container Depot.

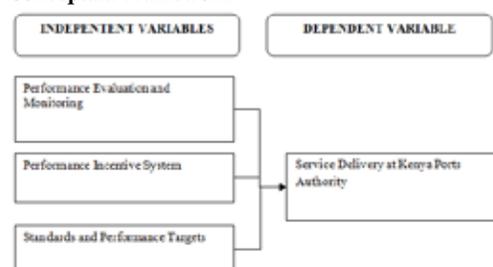
The researcher believed that this provided an adequate population and sample for the study and therefore would achieve reliable results and findings.

Objectives of the study

The main objective of the study was to establish the effect of the implementation of the performance contracting on service delivery.

The specific objectives was to determine the effect of Standards and Performance Targets on service delivery at the Kenya Ports Authority, to establish how Performance Incentive System influences service delivery at the Kenya Ports Authority and to investigate the effect of Performance Monitoring and Evaluation System on Service delivery at the Kenya Ports Authority.

Conceptual Framework



Research Methodology

The target population for this study was the 70 managers in Kenya Ports Authority. The study focused on the top, middle and lower level management staffs who were directly involved with the day to day operation activities at KPA.

This study utilized a questionnaire designed to include both structured and unstructured questions to collect primary data which were purely quantitative and were analyzed by descriptive analysis such as measure of central tendency and measure of dispersion. Data analysis used SPSS and Microsoft Excel to generate quantitative reports through tabulations, percentages, and measures of central tendency.

Data Analysis and Interpretation

The study targeted a sample of 70 respondents out of which 52 filled in and returned the questionnaire contributing to 74%.

From the findings, majority (54%) of the respondents were **male** while 46% were **female**.

The study established that most (23%) of the respondents were **aged** between 35-39 years while those aged between 30-34 years and 25-29 years were 19% each; 13% of the respondents were aged between 40-44 years, 12% were aged between 45-49 years whereas who aged between 20-24 years and above 50 years were 8% and 6% respectively

According to the findings, most (69%) of the respondents were **university graduates**, 23% had **diploma from tertiary college** while 8% had secondary certificate

The findings revealed that 33% of the respondents had **worked in the organization for a period** 4-7 years followed by 25% who had worked for a period of 1-3 years and 23% had worked for a period of 8-11 years while 19% had worked for more than 12 years in the organization

SUMMARY OF FINDINGS

Standards and Performance Targets and Service Delivery,

The study found that most of the respondents strongly agreed that focusing on organization and individual activity through the use of targets linked to strategic aims could be a powerful tool but careful consideration needed to be given to what was targeted. The respondents agreed that appropriate objectives and making effective use of appraisals could improve organizational performance and harmonizing individual-manager goals with those of the organization served to improve the overall performance

Table 1 Statements about Effects Standards and Performance Targets have on Service Delivery

Statements	Mean	Std. dev
Focusing on organization and individual activity through the use of targets linked to strategic aims can be a powerful tool but careful consideration needs to be given to what is targeted	4.732	0.231
Agreeing on appropriate objectives and making effective use of appraisals can improve organizational performance	4.567	0.438
Harmonizing individual-manager goals with those of the organization serves to improve the overall performance	4.523	0.470
Of paramount importance is to meet the expectations of the customer on service delivery	4.681	0.395

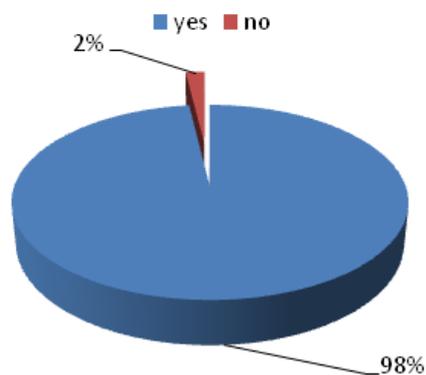
Source: Research Data, 2012

The study revealed that the paramount importance was to meet the expectations of the customer on service delivery. The benefits for defining performance targets include ensuring every employee contribution fits into the organization's goals, helping individual employees to understand their role and feel more valued, creating standards to measure quantity and quality of employees' work, and monitor performance of the Organization

Performance Incentive System

Respondents strongly agreed that Performance Incentive System was a critical link between performance contracting and service delivery; the rewards based on the organization performance motivates employees to perform better in delivering their services; and employee development was a joint effort on the part of an employee and the organization to upgrade the employees' skills and abilities in service delivery.

Figure 4.1: Influence of Performance Incentive System Employed



They also agreed that through employee empowerment, employees were familiarized with the organizational ingredients: performance knowledge that enabled them to understand and contribute to organizational performance

Performance Evaluation and Monitoring and Service Delivery

On the influence of Performance Evaluation and Monitoring and Service Delivery the respondents agreed that it was to a great extent. Respondents strongly agreed that employee performance evaluation provided strict monitoring to ensure that the employees met the goals of the organization. With monitoring and evaluation, Port management could identify the employees that were exceeding or failing to meet performance expectations and institute the corresponding action. They also agreed that regular check of how the employees were performing their duties and responsibilities against service standards and targets was key in facilitation proper service delivery. Performance evaluation and monitoring contributed to effective management of employees in order to achieve high levels of organizational performance

CONCLUSIONS

On standards and performance targets and service delivery, the study concludes that standards and performance targets outlined in the performance contract greatly affects service delivery in the organization

In addition the study concludes that focusing on organization and individual activity through the use of targets linked to strategic aims can be a powerful tool but careful consideration needs to be given to what is targeted; agreeing on appropriate objectives and making effective use of appraisals can improve

organizational performance; and harmonizing individual-manager goals with those of the organization serves to improve the overall performance.

On performance incentive system and service delivery, the study concludes that performance incentive system employed greatly influence the service delivery process in the organization

Further, the study concludes that performance incentive system is a critical link between performance contracting and service delivery; the rewards based on the organization performance motivates employees to perform better in delivering their services; employee development is a joint effort on the part of an employee and the organization to upgrade the employees' skills and abilities in service delivery.

On performance evaluation and monitoring and service delivery, the study concludes that performance evaluation and monitoring practices within the organization influences service delivery

In addition, the study concludes that employee performance evaluation provides strict monitoring to ensure that the employees meet the goals of the organization; with monitoring and evaluation, management can identify the employees that are exceeding or failing to meet performance expectations and institute the corresponding action; performance evaluation and monitoring contributes to effective management of employees in order to achieve high levels of organizational performance; and regular check of how the employees are performing their duties and responsibilities against service standards and targets is key in facilitation proper service delivery.

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