

Performance Contracting: What Is Their Efficacy in Management of Secondary Schools in Makueni County, Kenya?

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Abstract: This study examined the efficacy of performance contracting in public secondary schools in Makueni County, Kenya. The study employed the Taylor's scientific classical management theory which advocates for job specialization and training employees for a single task. The study employed a descriptive survey design. Both purposive and simple random sampling were used to select 36 principals and 216 members of Board of Management yielding an overall sample size of 256. The major finding was that a majority of teachers and BoM members were in agreement that performance contracting could enhance service delivery especially in external relations, human resource management, financial management and internal organizational management. Nonetheless, the overall practice of performance contracting was critically low and dodged with contradictions in most schools. It was concluded that although the performance contracting has been accepted as a viable means of enhancing service delivery, some teachers were still jittery regarding the object of the exercise. Given this emerging mixed support for performance contracting, it was recommended that the Government through the Ministry of Education and the County Education Officers should closely monitor the practice and assure teachers regarding its efficacy in enhancing quality service delivery in the public service

Keywords: Performance contracting, efficacy, school management, secondary schools, Makueni County, Kenya.

I. Introduction

1.1 Background of the Study

The study on performance contracting is premised on the contention advanced by Adam Smith that productivity would increase if workers were paid according to performance (Cheche & Muathi, 2014; Simiyu, 2012). The salient implication of this argument is that measurement of performance enhances productivity both to the individual and the organization and encourages a culture of continuous improvement (Letsoalo, 2007). Performance measurement in public service help in gaining public confidence that tax revenues are being used effectively (Kihara, 2013). In a similar vein, Nzube and Njeru (2013) aptly argue that an effective performance management system define expectations and align individual performance goals with those of an organization. In this context, performance management may be seen as a control mechanism employed by the top management to guide, control and monitor the actions of juniors to ensure that they contribute to the strategy of the organization (Mackie, 2008). An effective performance management should go beyond control and focus on performance improvement by encouraging learning (Werner & Demimonde, 2009).

Introduction of performance measurement in most organizations is influence by the presence of tangible outputs that are easy measure and organizational environment which include support by stakeholders and political class in the case of public entities (Dooren, 2006). Mackie (2008) is of the opinion that the aim of performance management system is to introduce systematic controls and regulating activities of an organization to attain agreed objectives (Kananga & Partoip, 2013).

The government of Kenya launched the first phase of public sector reforms in 1993 focused on cost containment with staff right sizing and rationalization of government functions and structures. This phase was mainly donors driven especially by World Bank under the Structural Adjustment Programme (Lienert & Modi, 1997; Kobia & Mohammed, 2006). In this phase, the following activities were undertaken: employment in public service was frozen, removal of 'ghost workers' through cleaning of payrolls, voluntary retirement, early retirement and retrenchment and removal of government guaranteed employment to new graduates were the main focus. The next phase focused on rationalization of government functions and structures to determine optimal structure and size in the civil service which was linked to budgetary limits (Lienert & Modi, 1997, Kobia & Mohammed, 2006; Mutahaba, 2011).

In 2003, the Government of Kenya formulated the Economic Recovery Strategy for Wealth and Employment Creation (ERWEC) covering the period 2003-2007. This policy document recognized performance contracting as a strategy in improving performance in the public service (Kobia & Mohammed, 2006). In 2001, the Government of Kenya launched a strategy for performance improvement in the public service whose aim was to increase productivity and improvement in service delivery underpinned by results based management orientation (Gatere, Keraro & Gakure, 2013).

The first attempt at PC in the public service in Kenya was made in 1984 with Kenya Railways signing a PC while National Cereals and Produce Board signed in 1990. The initiative however floundered as there was no political will to see it through. A strategy paper recommending re-introduction of PC in state corporations was presented to the cabinet in 1991 but this too did not take see the light of the day (Kobia & Mohammed, 2006; Mbua & Sarisar, 2013; Obongo, 2009).

Based on lessons learnt after the failure of the first phase of implementation of public service reforms, the focus shifted from cost containment to productivity improvement and in addition, the processes was fully controlled by the public service itself unlike the first phase that was donor driven (Kobia & Mohammed, 2006). During the second phase, initiatives aimed at reducing corruption and reduce wastage were introduced. The Government of Kenya enacted the Ethics and Economic Crimes Act, 2003 that addressed issues of ethics and corruption in the service. This was closely followed by the enactment of the Public Procurement and Disposal Act, 2005 (Kogei, Magugui, Yano, Chepkemei & Chebet, 2013). The Government of Kenya then shifted its attention to measuring performance in the public service.

The third and the current phase of reforms focused on improvement of service delivery rather than the processes. This led to the birth of performance contracting in the public service in Kenya (Kobia & Mohammed, 2006; Mutahaba, 2011). The first batch of organizations to be put under PC on a pilot basis were sixteen. By 2011, a total of 468 government agencies were actively involved in performance contracting (Office of the Prime Minister, 2012). Today all organizations in the executive arm of government that are under the national government are under PC.

The spirited efforts by the Government of Kenya to enforce performance contracting could be perceived as an effective way to provide quality goods and services within budget constraints (Kariuki, 2011). PC has been hugely celebrated as a success story in Kenya as it is associated with improvements in service delivery in the public sector (Muthaura, 2010). As Dooren (2006) noted, an effective performance management tool should not forever be an administrative tool; it need to become a political as well as a societal tool as well. Performance contracting as a management tool was originally developed for private enterprises but has been adopted by the public sector (Lin & Lee, 2011). The private enterprise adopted performance contracting as they have limited resources and have to innovate to achieve higher performance. In addition, it is easy to measure performance in the private sector as their main measure is profitability while public sector has many and sometimes conflicting goals. It against the background of this paradox surrounding the measurements of performance contracting that paper that examined the efficacy of performance contracting in secondary schools in Makueni County, Kenya, was premised.

1.2 The State of the Art Review

1.2.1 Genesis of Performance Contract on the global scene

The concept of performance contracting has attracted considerable attention from scholars due to its potential to transform service delivery (Gruening, 2001; Mutaha, 2011; Kobia & Mohammed, 2006). Most of the available literature has focused on employee awareness and participation, the linkage between PC and individual targets, linkage between PC and reward systems, effects of PC on performance, training and the theories that underpin the concept.

The first practitioners of NPM emerged in United Kingdom (UK), New Zealand and Australia, the United States of America (USA) and eventually to the rest of the world (Gruening, 2001). According to Gruening (2001) and Mutahaba (2011), NPM was identified as having the following characteristics; outsourcing of non-core functions, budget cuts, user charges, separation of politics and administration, improved financial management, accountability, performance auditing, privatization, use of information technology and improved accounting. France in the late 1960s was the first country to introduce PC as a performance improvement tool in the public service before it was adopted in Pakistan, Korea and later India. By 1990s, PC model had been adopted in management of public service in many countries (Kobia & Mohammed, 2006).

In Africa, the end of colonialism brought with it tremendously expansion of public service. Employment in the public service was used by leaders to reward cronies for loyalty and as a way of ensuring that crucial services were not left in the hands of foreigners (Mutahaba, 2011). This situation led to ballooning of wage bill relative to Gross domestic product leading governments to borrow from multi-lateral lenders to meet operational costs (Lienert & Modi, 1997). The inability of governments to meet operational costs leading to borrowing from multilateral donors was the trigger to public service reforms as the lenders specifically the

World Bank and the International Monetary Fund forced most government to reform their public service under structural adjustment programme (Mutahaba, 2011). Larbi (2010) argues that the World Bank has been responsible for introduction of performance contracting in several developing countries. The focus of most reforms initiated by World Bank in public sector management was targeted at cost containment.

Swaziland enacted The Public Enterprise Act of 1989 to focus on control of semi-autonomous state agencies sector following public outcry that they were a drain to the economy while Gambia placed strategic state corporations and departments under PC (Mutahaba, 2011 and Kobia & Mohammed, 2006). Ghana introduced Civil Service Performance Improvement Programme in 1996 in which staff were to engage their clients and agree on performance improvement programme which would then form the basis on performance agreement.

1.2.2. Secondary school management and administration in Kenya

The Basic Education Act (2013) defines a manager as any person or body of persons responsible for the management and conduct of a school, and includes a (Republic of Kenya,2013) . The Act, read together with the Teachers Service Commission Act, Cap. 212, confers extensive powers on the Minister of Education, the Cabinet secretary, the County Education Board and the Board of Management (BoM) over the management and regulation of education in Kenya. The boards and committees are responsible for the hire and remuneration of support and subordinate staff in public schools. The boards also act as the custodians and trustees of the movable and immovable property of their respective schools.

According to section 59 of the Basic Education Act, the functions of the BoM are well outlined and include, amongst others.(Republic of Kenya,2013).

- a. Promotion of the best interest of the institution and ensure development;
- b. Promote quality education for all pupils in accordance with the standards set under this Act;
- c. Ensure and assure the provision of adequate physical facilities for the institution;
- d. Manage the institution in accordance with the rules and regulations governing occupational safety and health.

The principals of these institutions serve as the secretaries and executive officers to the Boards of Management (BoM) or school committees as the case may be.

1.2.3. The impact of performance contracting

The principle of performance contracting provides an original combination of increased operational autonomy in the field of service delivery and a better strategic control by the organization. But what are the effects of such an increase of the operational autonomy on the internal management of the organization and its external relations? Performance contracting has a direct bearing on the productivity of the organization. This effect can be examined from four fronts: Human Resource Management, Financial Management and Cost Consciousness, Internal Organization and External Relations (Bouckaert, *et al.*, 1999).

The new personnel statutes have improved the performance of human resources management and increased the flexibility of allocating the right person to the right job. The renewal of the mandate of members of the supervisory board and the management board being dependent on performance evaluation is a major change and may act as an important incentive. It is also expected that outstanding performance is rewarded through promotion, pay-increase or recognition. Although various performance contracts do not clearly spell out the pejorative measures taken against mediocre performance, it is assumed that the punishments are clear. With the creation of affiliated companies with widespread contractual employment, there are increasing concerns about the legal position of the personnel and about the growing fragmentation of employment regimes. This may affect mobility between the different business units (Republic of Kenya, 2005).

Lings (2004) emphasized the importance of human resource management when he pointed out that many researchers and employers neglect one important focus, the demand of internal employees, especially those who directly get in touch with customers. Because the attitude and behaviour of employees interacting with customers would influence the feeling and behaviour of the customers when they get the service, it is quite important for managers to efficiently define and manage the way their employees provide the service in order to make sure that their attitude and behaviour are good for providing the service. In his study, Lings argued that, if properly executed performance contracting has a significant positive effect on staff commitment and satisfaction. The study through the evidence-based research results found that the company applying internal market orientation strategy viewpoint could benefit to promote the organization internal and external performance. Hence it could benefit the service industries to establish perfect human resources management strategy with marketing viewpoint, and maintain the value goals of continuous survival, high growth and high profit in practice. On the other hand, Slater (1999) reiterated that performance contracting if well executed may increase real speed in decision making and builds self-confidence in employees.

Nahavandi (2006) points out that outstanding performance should be rewarded through promotion, pay-increase or recognition which should be negotiated on signing the performance contract. He further speculates that

those who adhere and fit the organizational culture and structure, as well as meet individual goals and objectives are much more likely to be promoted to top leadership positions – as opposed to those who do not. This process could be true for almost any situation; those who naturally fit well into an organization’s mission and culture are more apt to be selected and rewarded in some fashion.

The use of performance-based contracts has induced an increased cost consciousness. The organizations have to develop cost-accounting systems and provide yearly financial statements.

The information provided improves the government’s capacity to control the organizations’ financial practices. Up to this moment, there is no direct link between the purchased amount of services and the level of the budget. An extended audit is needed to establish the link between objectives, outputs and inputs. However, the outlook on better budget estimates, based on an increased knowledge of real costs, is realistic. In some cases, transfers are corrected on the basis of achieved performance results such that a failure to meet performance targets results in a decrease of financial transfer to government. On the other hand, there is a positive financial return to the government in case performance results exceed set targets. These positive corrections are dependent, however, on developments of the overall budgetary position of the government and are therefore limited. These remarks attenuate the real impact of the budget as an incentive.

Moy (2005) in his final report to the Office of Financial Management in Washington D.C summarized the results of their literature and state survey on the best practices and trends in performance contracting in a number of state and local agencies in Washington D.C. indicates that the use of performance contracts and the accompanying increase of operational autonomy had induced some developments in the internal structures of the agencies under study. A number of questions were sent to each of the seven selected agencies and the responses were quite interesting. Three of the four states changed to performance based contracting to achieve better results.

The study reveals that the implementation of performance based contracting ranges from state-wide, agency wide to specific agency divisions or programs and that its impacts in each state agency varied, but including increased accountability for service delivery and deliverables and increased partnership between the contractor community and the state agency. The study further indicates that states agencies had defined performance as deliverables, outputs, outcomes, and effectiveness and efficiency, among others.

With respect to changes in customer relations, new interfaces and instruments are installed, resulting in increased client-orientedness. Performance contracting has been instrumental in helping state corporations and government ministries to introduce instruments to monitor client satisfaction. Examples of such instruments are the client help desks in all government ministries, accessible complaint channeling via the internet and other avenues, and annual reporting of performance and challenges to the public (Bouckaert, Verhoest & De Corte, 1999). Performance based contracting has received mixed reactions as many people would like to know the performance implications of altering team composition, especially in the top management team. Changes in top management teams are becoming more and more frequent due to poor organizational performance, mergers and acquisitions, and strategic reorientations (Leonard, 2001). This trend, in a way, reflects a desire to influence the performance of the firm by means of altering the composition of the top management team.

According to upper echelon theory, this might be a feasible strategy since research has demonstrated a link between attributes of top management team members and firm performance (Hambrick & Mason, 1984). Specifically, upper echelon theory argues that individual attributes influence the preferences and attitudes of top team members, as well as the resulting team dynamics. In turn, these affect the strategic choices managers make, and therefore, organizational outcomes (Finkelstein & Hambrick, 1996).

This argument supports the importance of performance contracting in the sense that whenever there are changes at the top level, the incoming chief executive continues to work on the set performance targets. With respect to changes in customer relations, new interfaces and instruments are installed, resulting in increased client-orientedness. Most state corporations and government ministries in Kenya, for instance, now have functional customer care and public relations offices. These offices have acted as valuable instruments for introducing a client focus. However, the functioning of these offices is hampered, in some cases, by the insufficiency of financial and human resources (Akaranga, 2008). In order to increase the reliability and validity of performance measurements, various approaches are recommended such as multiple raters, combination of objective and subjective criteria, and so on. For instance, Bobko and Collela (1999) suggest that performance standards are external to the individual and for evaluative purpose and that it is different from individual goals as a person's internal aim. They proposed the importance of the employee reaction and acceptance of performance standards.

There is, however, need for a good definition of outputs and solid performance measures which will be able to promote an organizations internal performance through a well customer-oriented ability of employees to further promote the organization external performance. This requires a well-defined training program for the public servants to support implementation of performance contracting. On the other hand, there is need to study both the public servants’ perceptions on the role of performance contracting in improving service delivery to the

end users and also the impact of the performance contracting on service delivery to the populace. This will confirm whether the objectives of implementing performance contracting are being achieved in the public sector.

1.3 Statement of the problem

Secondary schools in Kenya are governed by a board of management. Despite the fact that the Government of Kenya provides for management structures and standards through the Education Act (2013) which has given BoM the power to carry out management activities in all public secondary schools, the effect of performance contracting has not been examined. Instead, literature seems to indicate that there exists inadequate capacity of BoM in financial and human resource management has brought conflict with other stakeholders in Makueni County hence raising questions related to efficacy of performance contract in secondary school management in Makueni County.

1.4 Purpose and Objectives of the study

The purpose of the study was to examine the extent to which the signing performance contract affected service delivery in public secondary schools management in Makueni County, Kenya.

1.5 Theoretical frame work

The theoretical framework underlying this study is based on Taylor's scientific classical management theory. The classical theory was devised to increase productivity and efficiency. It advocated for training employees in a single task, creating work performance records and competence records. This theory is directly related to the research in the sense that for an institution to achieve its goals the management plays an important role. The management is entrusted with such roles as financial management, human resource management among others. It requires high level of competence and transparency for one to execute such duties. This calls for appointing members of high integrity, job specialization and members who are competent in their area of specialization. Also the main concept of performance contract is ensuring that the desired results are achieved and improve efficiency. The theory ignores the element of motivation hence very important to the study since these members are not enumerated but only given some allowances. Some elements of the behavioural management theory were used in the study. Some elements like human relations which are the main characteristic of the Mayo's theory were used.

II. Research Design and Methodology

2.1 Research Design

The study employed a combination of desk survey involving literature review exploratory approach using a descriptive survey design to find out the impact of performance contracts in secondary school management. Descriptive survey designs are used in preliminary and exploratory studies (Orodho, 2009a, 2012) to allow researchers to gather information, summarise, present and interpret for the purpose of clarification (Orodho, Nzabwirwa, Odundo, Waweru & Ndayambaje, 2016). According to Borg and Gall (1989) and Orodho (2016) descriptive survey research is intended to produce statistical information about aspects of education that interest policy makers and educators. According to Orodho, Nzabwirwa, Odundo, Waweru & Ndayambaje (2016) the survey design covers a large field extensively because it involves a question thrown to many people, therefore providing a compressive analytical evidence to inform. The study was conducted in public secondary schools in Makueni County. This was because of increase in the number of cases of poor management reported by stakeholders to county director of education in the county.

2.2. Target population and Sampling

The target population for this study consisted of 250 principals of all public secondary schools in Makueni County and the BoM members of these schools. Makueni County has nine districts and since the researcher targeted the whole county, a purposive sampling technique was applied to select 36 secondary schools as sampling units. From the 36 schools, head teachers, six members of the Board of Management per school yielding 216 members were selected yielding a sample size of 256 respondents.

2.3. Research instrument, Data Collection and Analysis

Questionnaires for Principals and interview schedules for members of the Board of Management were used to collect data. The justification for the choice of the research instruments was that Principals were literate and knowledgeable and could easily generate quick and rich data through questionnaires while most of the members of the Board of Management were not as endowed in the use of questionnaires and therefore interviews were the better instruments to use in collecting data from them (Orodho, 2016). An interview guide was used in this study to collect information about BoM members' knowledge of performance contracts, their

attitude towards performance contracts and if signing performance contracts has an impact on human resource management, financial resource management, internal and external relations. The interview guide was preferred since it gives data which is highly reliable (Orodho, 2009b, 2012). A questionnaire was used for the school heads as they were able to read and interpret the questions.

Piloting was done on 2 head teachers and 4 members of BoM from public secondary schools in the neighboring Machakos County. The validity of the instrument was improved through expert judgment. As such, the content validity was ascertained by lecturers in the School of Education, Mount University, Kenya. To establish the reliability of the research instrument, the test retest method was used and a reliability co-efficient of .895 was adequate to declare the questionnaire reliable for the study (Orodho, 2016; Orodho, Nzabirwa, Odundo, Waweru & Ndayambaje, 2016).

Permission to conduct research was provided by the National Council for Science, Technology and Innovation (NACOSTI) as well as the Makueni County Educational Office to visit the sampled schools. The researchers hand delivered the questionnaires to the sampled principals and collected those three days after issuing which was adequate time for the questionnaires to be filled in. The research was also conducted on a face to face interview to the sampled BOM members and their views were recorded.

After all the data had been collected, data cleaning followed for the purpose of identifying any incomplete, inaccurate or irrelevant data for the purpose of improving on quality through correction of detected errors and omission. Coding of the data thereafter followed and the codes were entered into a computer for the purpose of analysis (Orodho, Khatete & Mugiraneza, 2016). Qualitative data was analyzed thematically and correlating data were tallied together to come up with frequency counts (Orodho, 2012). Percentages were calculated based on total number of responses. Quantitative data was analyzed using descriptive statistics including percentages, mode, pie charts and frequency counts (Orodho, Ampofo, Bizimana & Ndayambaje, 2016).

III. Research Findings and Discussions

3.1 Signing of performance contract

Many principals supported the idea of signing performance contract whereby 66.67% were to the view that signing performance contract which positively affected their management duties. At the same time out of 196 members who had knowledge about performance contract, 164 of them which were 83.67% were to the opinion that signing performance contract would improve their service delivery. This response shows that many principals and BOM members were willing to sign performance contract as it could ensure that quality services were delivered. It was also a key to note that 61.11% of the principal had a conflict with stake holders with 68.18% of these principals suggesting that the conflict was a result of poor financial management.

3.2 Effect of Performance Contracting on Service Delivery in Secondary Schools

The school principals were requested to indicate the extent to which they considered performance contracting to be influencing service delivery in their respective secondary schools. The results are presented in Figure 1. The results indicate that the performance contracting were more effective in establishing external relations, with over one third (43.29%) of all respondents citing the variable.

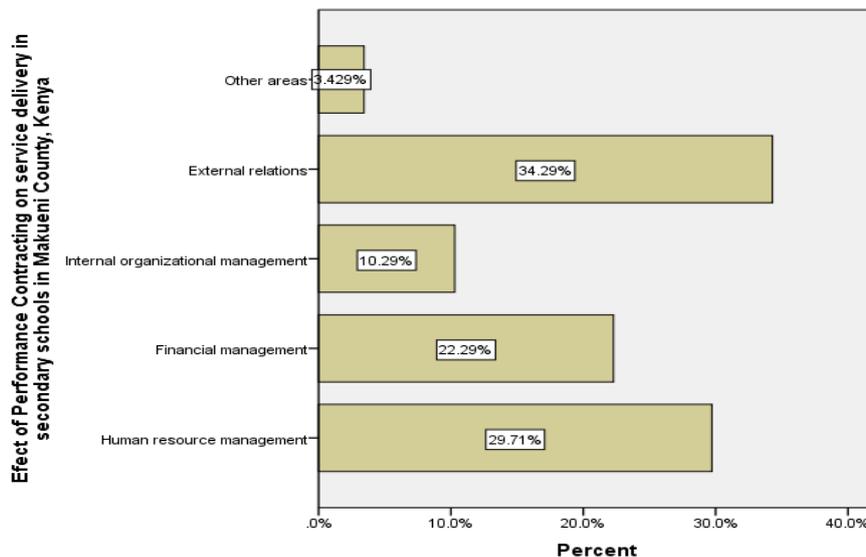


Figure 1: performance contracting on service delivery in Makueni County, Kenya.

The second area in which performance contracting was found to be effective, cited by 29.71% of all the principals was human resource management. The principals were of the opinion that performance contracting was making it easier to manage human resource management, teaching and non-teaching staff as well as the students. Financial management was placed at number three in the ranking, with about 22.29% percent of headteachers citing the critical area. The impact of performance contracting on internal organizational management was rated fourth as cited by about 10 percent of all respondents.

Out of sampled BOM members 161 of the members cited the need for using performance contracting procedures to regulate appropriate financial management in schools. Majority of members of the Board of management also expressed the concern that the performance contracting could meaningfully enhance both human resource management and external relations, especially with parents and members of the community.

Some chairpersons of the Parents Teachers Associations sampled under the Board of Management emphasized the need for external relations in secondary schools when they averred:

With respect to changes in customer relations, new interfaces and instruments are installed, resulting in increased client-orientedness. Performance contracting could play a role in helping secondary schools to monitor the progress in the schools as well as client satisfaction. Examples of such applications include: accessible complaint channeling via the internet and other avenues, and annual reporting of performance and challenges to the public (PTA # 26, 97.124).

The research findings are in tandem with other results that have demonstrated a good link between attributes of top management team members and firm performance (Hambrick & Mason, 1984). Specifically, upper echelon theory argues that individual attributes influence the preferences and attitudes of top team members, as well as the resulting team dynamics. In turn, these affect the strategic choices managers make, and therefore, organizational outcomes (Finkelstein & Hambrick, 1996).

With regards to human resource management, some members of the BoM noted that:

The renewal of the mandate of members of the supervisory board and the management board being dependent on performance evaluation is a major change and may act as an important incentive. It is also expected that outstanding performance is rewarded through promotion, pay-increase or recognition. Although various performance contracts do not clearly spell out the pejorative measures taken against mediocre performance, it is assumed that the punishments are clear (BoM # 09. 15 20).

The finding is in tandem with that of Lings (2004) who emphasized the importance of human resource management when he pointed out that many researchers and employers neglect one important focus, the demand of internal employees, especially those who directly get in touch with customers. Because the attitude and behaviour of employees interacting with customers would influence the feeling and behaviour of the customers when they get the service, it is quite important for managers to efficiently define and manage the way their employees provide the service in order to make sure that their attitude and behaviour are good for providing the service. In his study, Lings argued that, if properly executed performance contracting has a significant positive effect on staff commitment and satisfaction.

The findings are also supported by Nahavandi (2006) who pointed out that outstanding performance should be rewarded through promotion, pay-increase or recognition which should be negotiated on signing the performance contract. He further speculates that those who adhere and fit the organizational culture and structure, as well as meet individual goals and objectives are much more likely to be promoted to top leadership positions – as opposed to those who do not. This process could be true for almost any situation; those who naturally fit well into an organization's mission and culture are more apt to be selected and rewarded in some fashion. With regards to financial management, most members of the BoM were in agreement that the performance contracting could positively enhance financial practice in schools when they noted that:

The information provided through performance contracting improves the government's capacity to control the organizations' financial practices. Up to this moment, there is no direct link between the purchased amount of services and the level of the budget. An extended audit is needed to establish the link between objectives, outputs and inputs. However, the outlook on better budget estimates, based on an increased knowledge of real costs, is realistic (BoM, # 120,289)

These positive corrections are dependent, however, on developments of the overall budgetary position of the government and are therefore limited. These remarks attenuate the real impact of the budget as an incentive.

The foregoing results are in line with what Bobko and Collela (1999) established and suggested that performance standards are external to the individual and for evaluative purpose and that it is different from individual goals as a person's internal aim. They proposed the importance of the employee reaction and acceptance of performance standards.

IV. Conclusions and Recommendations

4.1 Conclusions

The gist of this study was to establish the effectiveness of performance contracting in service delivery in secondary schools in Makueni County, Kenya. The results of the study has established that the process of performance contracting has been accepted as a viable means of enhancing service delivery although majority of principals and teachers were still jittery regarding the object of the exercise.

It is evident from the reviewed literature and the principals as well as members of BoM reached in the study that there is a lot that has been done in the area of performance contracting although a lot more need to be done. The principals and members of the Board of management reported that areas to be targeted, in decreasing order of magnitude of mention were: improvement of external relations, human resource management, financial management and internal management of individual institutions.

The overall finding was that all schools had trained principals and had management committees which mostly met as per the government policy. The study also established that the school kept management records. It was important to note that the greatest percentage of principals were for signing performance contract, although they felt that focus should be more on external relations, effective human resource management as well as financial and internal organizational management. The foregoing notwithstanding, clarity regarding the extent to which stakeholders and employees are involved in setting of performance contracting targets and whether their involvement has any impact on implementation of the targets was still rather blurred.

4.2 Recommendations

Based on the findings and discussions emanating from the study, it is recommended that:

1. Given that most principals and members of the Board of management indicated strong support for the implementation and intensification of performance contracting, the central Government as well as the County Education Office should monitor the current practice and evaluate its efficacy.
2. The ministry of education should integrate information technology in financial management to all schools for the purpose of accountability.
3. The ministry of education should ensure that inspection of financial records is done more regularly. It should also have the mandate to following and check if the recommendations made from such inspections are implemented.
4. The government should intensify the involvement of principals in performance contract and ensure and assure that diverse areas such as human resource management, external relations, financial management and internal organizational management are addressed.

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