

## Performance Target Setting and Employee Service Delivery at Kirinyaga University, Kenya

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**Abstract:** Organizations are eager to monitor and increase the productivity of their employees. One such means with the potential of increasing service performance and delivery is performance contracting. Performance contracting through performance target setting has seen accelerated effort in research as a new concept of management in Kenya. Most studies have focused on performance management, performance measurement, commitment, and target meeting. The objective of this research is to understand how much of target setting, target implementation and monitoring and evaluation influences positive service delivery. The research was done at Kirinyaga University, a public university in Kenya. The study adopted descriptive cross-sectional research design with a population of 272 staff members. Primary data was collected using a structured questionnaire that included both closed and open-ended questions. Secondary data was collected from journals. Pilot study was conducted in order to determine validity and reliability of research instruments. The Statistical Package for Social Science package was used in the data analysis. Descriptive statistical tools including the mean, mode standard deviation, and variance were used to analyze qualitative data. Inferential statistics was done by use of correlation and multiple linear regression analysis in order to establish the relationship between independent variable and the dependent variable. The results revealed that performance contracting parameters significantly ( $t = 3.407$ ,  $p < 0.05$ ) affected service delivery of the University. It was also revealed that target implementation significantly ( $t = 2.633$ ,  $p < 0.05$ ) influenced service delivery. However, it was established that target setting ( $t = -1.816$ ,  $p < 0.05$ ), monitoring and evaluation ( $t = 0.617$ ,  $p < 0.05$ ) did not significantly influence service delivery at Kirinyaga University. In conclusion, proper target setting, monitoring and evaluation, and target implementation are necessary in achieving employees and organizations' goals as well as satisfactory delivery of services to customers.

**Keywords:** Performance Contracting, Target Setting, Target Implementation, Target Evaluation, Service Delivery, Kirinyaga University

### INTRODUCTION

The two Bretton Woods Institutions (BWI) the World Bank (WB) and the International Monetary Fund (IMF) in the 1990s started to demand for accountability and effective utilizations of resources through the structural adjustment programs (SAPs) in most African countries [1]. Most countries complied in order to receive funding from these institutions. With accountability having been fixed, the shift is currently on the productivity of employees and whether their pay corresponds to what they produce. Private sector started it all by offering contractual employment to staff and only extend their contract or increase their pay upon successful performance. The same has been extended to permanent employees who must continually be appraised on their performance before they are promoted or added a salary. The evolution of this phenomenon has evolved to what is now known as performance contracting. According to Lin and Lee [2], the private sector was the

first to embrace performance contracting (PC) as a management tool before the public sector.

The main contributing factor was the limited resources while private sector were keep to ensure there was value for money from its workforce by being able to measure their productivity. Compared to the public sector, performance within the private sector is easy to measure because the main goal is profit, which is easy to measure. Public sector organizations are not necessary concerned with profits, service delivery, and other often conflicting reasons. However, the perception that performance within the public sector was below expectation fueled performance contracts [3]. Two theories are used in this paper, Goal and Expectancy theory, in analyzing target variable and service delivery variable, respectively. The study wanted to find out to what extend is service delivery by employees affected by target setting, target implementation, target

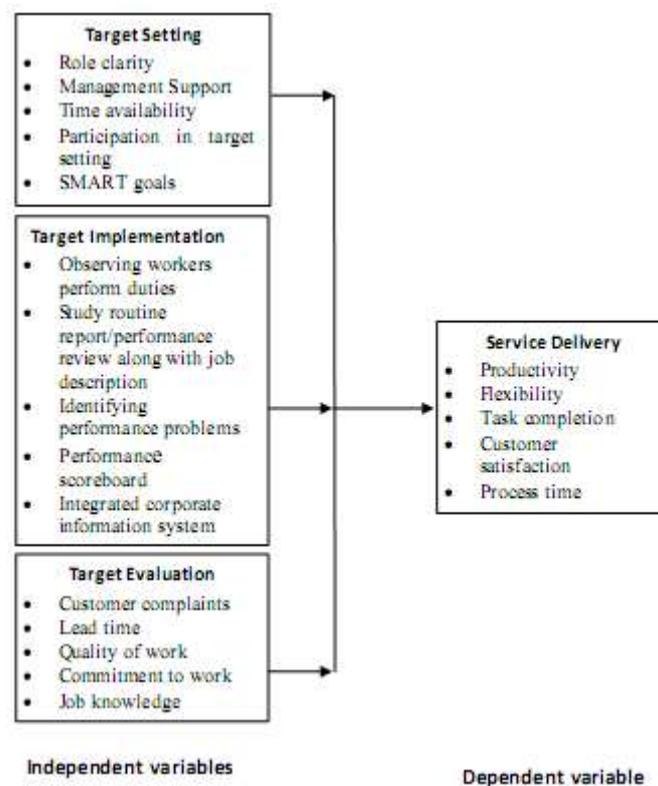
evaluation in a public higher education institution where the driving objective is not to make profit.

**LITERATURE REVIEW**

The Goal and the Expectancy theories are used to explain the chosen variables of PC. Goal theory was developed by Locke in 1968 and it states that employees are motivated by clear goals and appropriate feedback. It further asserts that performing responsibilities aimed at achieving a specific goal offers motivation. The direct individual efforts and energies are positively influenced by such goals towards a particular direction. Expectancy Theory, on the other hand, posits that the efforts of an individual to perform in a certain way is dependant on the strength of the expectation that such performance will be followed by an outcome and on the attractiveness of such an

outcome to the individual [4]. In local authorities, expectancy theory is applicable in that; employees will be motivated to exert a high level of effort when they believe that the effort will lead to a good performance evaluation which will lead to rewards such as bonus, promotion, salary increase and that the reward will satisfy the employees’ personal goals.

Conceptual framework is a graphical representation revealing the relationship between dependent variable and independent variables [5]. The independent variables stand-alone but bear great significance to the analysis of the effect of PC at Kirinyaga University. They are important in the study because they trigger and affect the independent variable that is service delivery or productivity. The conceptual framework for this study is shown below:



**Fig-1: Conceptual framework for effect of PC on employee service delivery at Kirinyaga University, Kenya**

**RESEARCH DESIGN AND METHODS**

Descriptive cross-sectional survey research design was used because it offers an opportunity to research on the perception of performance contracting effects on service delivery in a natural setting. The method is also ideal because it involves describing events in almost a natural setup. The target population for the study was permanent employees at Kirinyaga University in Kenya. On the other hand, the accessible population was a subset of the target population from which the sample was derived. The study accessible population was 272 permanent teaching and non-

teaching employees at Kirinyaga University. It is mandatory that all permanent staff at the university participate in PC activities.

Kothari [6] argues that for a population (N) exceeding or equal to then sampling is necessary. Given that the study population was over 100, sampling was done using the Slovin’s formula [7] as shown in equation 1.

$$n = \frac{N}{1 + N(e)^2} = \frac{272}{1 + 272(0.05)^2} = 162 \quad (1)$$

here  $n$  was the sample size,  $N$  is total population,  $e$  was the margin error of 0.05 based on 95 percent confidence level. Using Slovin's formula the appropriate sample size calculates to 100 respondents. Because of the inhomogeneous nature of the university

population, the research settled on stratified random sampling. The employees were stratified into two categories - teaching and non-teaching staff - then simple random sampling selection was employed in selecting the respondents as shown in Table 1.

**Table 1: Sample Selection**

Target Group	Population	Sample Size
Permanent Non-teaching	132	79
Permanent – teaching	140	83
<b>Total</b>	272	162

Data was collected using a semi-structured questionnaire having parts A and B. Part A was used to collect respondents and general data. On the other hand, part B collected data on variables of target setting, target implementation, target evaluation about employee service delivery. The study sought to assess the opinion of the University staffs regarding target setting, target implementation, monitoring and evaluation and its effect on service delivery. For each parameter, five different indicators were used. Responses for each of the indicators were evaluated based on 5 points coded a 5, 4, 3, 2 and 1, respectively. The responses were then analyzed using descriptive statistics such as means, standard deviation and variances. Then the study sought to establish the relationship between dependent variable (service delivery) and the independent variable (Performance Target setting). The association between dependent variable and independent variable was determined using Pearson correlation coefficient. The data was subjected to multiple regression analysis and analysis of variance after association was established. The study also sort to establish the existing relationship between the joint effects of performance target setting, target implementation and monitoring and evaluation on service delivery. The independent variables were assessed as multiple variables in the regression analysis and as sources of variation in the ANOVA.

**RESULTS AND DISCUSSION**

100 questionnaires were distributed of which 67 of them were filled and returned giving a response rate of 67%. The rate of response was high enough to realize sufficient conclusion.

The study noted that the majority of the respondents agreed ( $Mean = 4.4776$ ;  $Std Dev = 0.6112$ ) that clear role clarity of employees (target

setting) enables high staff productivity. They also supported ( $Mean = 4.3881$ ;  $Std Dev = 0.6732$ ) that management support is crucial to job flexibility. The respondents admitted ( $Mean = 4.3134$ ;  $Std Dev = 0.6789$ ) that employee's participation in target setting is critical to customer satisfaction. They also agreed ( $Mean = 4.2985$ ;  $Std Dev = 0.75908$ ) that smart goals enable effective and faster time processing. It was also revealed ( $Mean = 4.1194$ ;  $Std Dev = 0.8965$ ) that the respondents feel that time availability enables staff to complete their tasks. The results implied that staff identify with clear performance target setting with the Institution. Clear performance target setting has been found to identify with the needs of employees hence improving productivity [8].

Relationship between service delivery and performance target setting revealed that there is a high significant effect of target setting on service delivery ( $r= 0.417$ ,  $p<0.009$ ). The result implies that performance target setting negatively affects service delivery among employees. The results are in agreement with those by Ellen [7].

On the joint effects of performance target setting, target implementation and monitoring and evaluation on service delivery assessment as multiple variables in the regression analysis and as sources of variation in the ANOVA. The findings indicate that there is a positive but relatively weak ( $r = 0.6595$ ) relationship. It was also revealed that ( $R^2 = 0.4349$ ) 43.5% of the service delivery could be attributed to performance target setting, target implementation and monitoring and evaluation. The remaining 56.5% influence on service delivery is attributable to other factors that were not of interest in this study.

**Table 2: Regression analysis model**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	0.6595 <sup>a</sup>	0.4349	0.364	1.16309

a. Predictors: (Constant), Monitoring and evaluation, Target setting, Target implementation

The findings of the ANOVA are presented in Table 3. The calculated F-value of 3.507 was less than the critical P-value of 0.05. The finding implied that the regression model was significant in predicting the

relationship between dependent variable (service delivery) and independent variables (performance target setting, target implementation and monitoring and evaluation).

**Table 3: Analysis of variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.189	3	1.396	3.507	.020 <sup>b</sup>
	Residual	25.083	63	.398		
	Total	29.272	66			

a. Dependent Variable: Service delivery, b. Predictors: (Constant), Monitoring and evaluation, target setting, target implementation

The results of overall test statistics of the model are presented in Table 4.10. Model of the study was presented as an equation that equates the dependent (service delivery) to independent variables (monitoring

and evaluation, target setting and target implementation). The regression model is expressed as;

$$Y = \beta_0 + \beta_1 X_1 \epsilon \tag{2}$$

Therefore,

$$Y = 3.356 + 0.343X_1 \tag{3}$$

**Table 4: Regression coefficients**

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
		B		Beta		
1	(Constant)	3.356	0.985		3.407	0.001
	Performance Target setting	0.343	0.189	0.216	1.816	0.074

a. Dependent Variable: Service delivery  
b. Independent Variable: Performance target setting

It is notable from the equation that holding all independent variables constant, service delivery of the University would be 3.356 units. This would be as a result of other factors within the institution but not investigated in the study. On the other hand, a unit increase in service delivery would be as a result of 0.343 unit increase in target setting assuming all other factors are held constant. From the model, it can be predicted that a unit increase in service delivery would be explained by 0.419 units increase in target implementation, all other factors held constant. Furthermore, holding all other factors constant, a unit increase in service delivery would be attributed to 0.163 units increase in monitoring and evaluation.

The results of the regression analysis showed a positive relationship between service delivery and all the performance contracting indicators. It was indicated that performance contracting indicators significantly ( $t = 3.407, p < 0.05$ ) affected service delivery of the University. Performance target setting had a positive association with service delivery. This implies that comprehensive and clear target setting within an organization improves service delivery among employees. It was also revealed that target implementation significantly ( $t=2.633, p<0.05$ )

influenced service delivery. It had a positive relationship with service delivery implying that an institution stands a better chance to improve its service delivery capacity through implementation of its set targets. The relationship could be explained by the increasing call by organization managers to involve all employees in target implementation thereby creating a sense of belonging among employees [9]. However, it was established that target setting ( $t = 1.816, p < 0.05$ ), and, monitoring and evaluation ( $t = 0.617, p < 0.05$ ) did not significantly influence service delivery at the Kirinyaga University.

**CONCLUSION AND RECOMMENDATIONS**

There is a significant prediction of the relationship between independent variable (target setting, target implementation, monitoring and evaluation) and dependent variable (service delivery). However, Target setting has the greatest influence on service delivery among staff at Kirinyaga University when compared to target implementation and monitoring and evaluation. The research also reveals that only 43.5 percent of service delivery is attributed to the independent variables under study. 56.5 percent of service delivery is attributed to other factors not under study. It can only be imperative that further studies are

carried out to unearth the 56.5 percent factors that contribute to service delivery.

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